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MEMORANDUM FOR: See Distribution  
FROM : Legislative Counsel  
SUBJECT : Transcript of William J. Casey's Testimony at the 13 January 1981 Confirmation Hearing

Attached please find a copy, for your retention, of Mr. William J. Casey's testimony at his confirmation hearing on 13 January 1981 before the Senate Select Committee on Intelligence.

**/s/ Frederick P. Hitz**

Frederick P. Hitz

Attachment:  
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OFFICIAL TRANSCRIPT

Olc #0069

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

NOMINATION OF WILLIAM J. CASEY,

TO BE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C.

January 13, 1981

ALDERSON REPORTING

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C O N T E N T S

STATEMENT OF:

William J. Casey

PAGE

22

1                   NOMINATION OF WILLIAM J. CASEY,  
2                   TO BE DIRECTOR OF CENTRAL INTELLIGENCE  
3                   - - -

4                   Tuesday, January 13, 1981  
5                   - - -

6                   United States Senate,  
7                   Select Committee on Intelligence  
8                   Washington, D. C.

9                   The Committee met, pursuant to notice, at 10:00 a.m.,  
10          in Room 318 Russell Senate Office Building, the Honorable  
11          Barry Goldwater, Chairman of the Committee, presiding.

12          Present: Senators Chafee, Lugar, Wallop, Moynihan,  
13          Huddleston, Biden, and Jackson.

14          Also Present: Senators Kasten and Hart.

15          Also Present: John Blake, Staff Director; Abram  
16          Shulsky, Minority Staff Director--Committee and Senate Staff.  
17          - - -

18          The Chairman. It being 10:00 o'clock, the meeting will  
19          come to order.

20          And I would ask the photographers if they would hurry  
21          up and take care of Mr. Eastman.

22          I am going to ask Senator Moynihan to introduce Mr.  
23          Casey. Mr. Casey, as you know, is being heard this morning  
24          for the approval of this committee to be the director of the  
25          CIA.

1 Senator Moynihan, we welcome you as a member of the  
2 committee and as a Senator from the home state of Mr.  
3 Casey. So you may proceed.

4 Senator Moynihan. I thank you, Mr. Chairman. It is a  
5 very special personal experience both for me and for my  
6 distinguished colleague, Mr. D'Amato, to introduce this  
7 distinguished American to you.

8 I would say to you, Mr. Chairman, that were there more  
9 men such as William Casey in this nation, the President  
10 would have less difficulty, any President would have less  
11 difficulty, filling his Cabinet or for any position that a  
12 President might require be filled. It is the distinguished  
13 quality of this man that he has, in one form or another,  
14 served every American President since Franklin Roosevelt,  
15 when he joined the United States Navy in the Second World  
16 War.

17 His career is too well known to require any recitation  
18 from me, save to make the somewhat -- is it a sad  
19 observation, what the French call "fin de ligne" -- Bill  
20 Casey will surely be the last member of the OSS to direct  
21 the CIA, and a fitting conclusion to his own career, which  
22 began as first an aide to William J. Donovan in Washington,  
23 and then in the final and climactic days of the Second World  
24 War to Colonel David K. Bruce. A career so begun could only  
25 lead to the distinction that has accompanied it throughout.

1           Put rather hear me on the subject, Mr. Chairman,  
2 although I have a statement I would like to introduce into  
3 the record, Mr. Leo Cherne, of the Research Institute of  
4 America and of the International Rescue Committee and a long  
5 associate of Mr. Casey's, has prepared an extensive  
6 statement about his career, of which I would like to take  
7 the opportunity to read two passages only, asking that the  
8 full statement be put in the record.

9           The Chairman. Without objection.

10.          (The complete statement follows.)

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1 Senator Moynihan. And the first simply has to do --  
2 the statement is organized in terms of Mr. Casey's federal  
3 activities. And the first has to do with his position on  
4 the advisory committee of the U.S. Arms Control and  
5 Disarmament Agency.

6 Mr. Cherne writes, "As a member of the Arms Control and  
7 Disarmament Advisory Committee to which he was appointed in  
8 1969, William Casey made a vital contribution to what may be  
9 the most important function of that Commission, the  
10 preparation for the negotiations which led to the first SALT  
11 Agreement between the U.S. and the U.S.S.R. He drew upon  
12 his substantial intelligence experience to emphasize the  
13 importance of verifiability in the control of strategic  
14 weapons. There can be no doubt that this emphasis  
15 significantly contributed to those aspects of the SALT I  
16 Agreement which dealt with verification -- since direct  
17 inspection was resisted by the Soviet Union. It seems clear  
18 that the advisory contribution by Casey helped spur the  
19 arrangement whereby both nations tacitly accepted the  
20 unimpeded use of satellite observation to provide an  
21 equivalent, though by no means as reliable, instrument to  
22 assure compliance."

23 And finally, Mr. Chairman, just to mention that it was  
24 at a time when Mr. Casey was a member of the President's  
25 Foreign Intelligence Advisory Board that the decision was

1 made to go ahead, a very courageous decision by the  
2 then-director of the CIA, the vice president-elect today,  
3 Mr. Bush, to enter the mode of competitive analysis, the  
4 "A-Team/B-Team exercise," of which this committee has  
5 inquired and which Senator Wallop and I have had further  
6 comments.

7 This idea of subjecting community analysis to internal  
8 competition was very much a part of the work of William J.  
9 Casey. I hope that he will tell us more if he plans to  
10 continue it. But Mr. Cherne testifies to his having been in  
11 at the beginning of this mode, which holds such promise to  
12 the intelligence community.

13 Clearly, Mr. Chairman, we have a man of the greatest  
14 distinction, and I am honored to have had the opportunity to  
15 introduce him to this committee.

16 The Chairman. I thank you, Senator Moynihan.

17 And this letter from Leo Cherne will be made a  
18 permanent part of the record.

19 (The complete statement follows.)

20 The Chairman. And Senator D'Amato, would you care to say  
21 something?

22 Senator D'Amato. Mr. Chairman, it is a privilege for  
23 me to join my distinguished colleague, the vice chairman of  
24 this committee, in introducing Mr. William J. Casey of New  
25 York, a friend of long standing. And as the record before

1 you shows, and from the remarks that have been made by  
2 Senator Moynihan, Mr. Casey has served in a bewildering  
3 number of important positions, both in and out of  
4 government, and the experience he has gained from this long  
5 and diverse career, involving many aspects of international  
6 relations will, I am confident, serve him well when he  
7 confronts the widespread and challenging responsibilities of  
8 the directorship of the Central Intelligence Agency.

9 Throughout his career Bill Casey has had a remarkable  
10 ability to understand quickly the most difficult and complex  
11 problems. He has pursued each goal with tenacity and  
12 skill. And a recent article of the Los Angeles Times said  
13 about Bill Casey, "An able fellow who does not suffer fools  
14 lightly. Always a man of great activity, he has left behind  
15 him a wake composed of perhaps ten parts controversy and 90  
16 parts admiration."

17 And so it is Bill Casey, a New Yorker's New Yorker. I  
18 am confident that he will bring to the Central Intelligence  
19 Agency the expertise and determination to make the agency  
20 the finest of its kind in the world. And how so desperately  
21 we need that kind of leadership. And the people of this  
22 nation will be able to rest easier with their vital  
23 interests in the hands of Bill Casey.

24 I am delighted, Mr. Chairman, to have the opportunity  
25 to offer my wholehearted endorsement to this nomination and

1 appreciate the opportunity to speak in behalf of an  
2 outstanding American, William Casey.

3 The Chairman. Thank you very much, Senator.

4 Before we hear from Mr. Casey, I will say that the  
5 financial disclosure statement has been received, and the  
6 Office of Government Ethics says that Mr. Casey is in  
7 complete compliance.

8 We have the FBI report which has been received, and  
9 it's been reviewed by myself and by Senator Moynihan.

10 A short statement of my own before we begin the  
11 hearing, Mr. Casey, to give you a better idea of how I  
12 approach intelligence. And I think any members of the  
13 committee who might like to add their little sayso is  
14 perfectly welcome, too.

15 The Senate Select Committee on Intelligence begins its  
16 hearings today to consider the nomination of William J.  
17 Casey to be director of the Central Intelligence.

18 We know accurate and timely intelligence constitutes  
19 the nation's first line of defense. Consequently, the  
20 responsibility of the director of central intelligence is  
21 one of maximum importance. Intelligence issues for the  
22 1980s begins with leadership.

23 One of the most pressing issues facing the intelligence  
24 community is the need for strong, stable, and experienced  
25 leadership. The intelligence community has been in turmoil

1 since the early 1970s as a result of frequent changes in  
2 leadership, studies by Senate committees, a series of  
3 investigations, and organizational restructuring.

4       The new DCI should be a broadly experienced  
5 professional who is familiar with the intelligence  
6 community's present strengths and weaknesses. There is a  
7 critical need for stability and a clear understanding of  
8 where the community needs to be in the future and how it's  
9 going to get there. And although not perfect, the  
10 organizational arrangements and management processes within  
11 the community are adequate.

12       Some minor changes probably are in order, but wholesale  
13 changes are neither warranted nor desired. Some areas that  
14 should be examined include the following:

15       The National Security Council's role in management of  
16 the intelligence community: The community includes highly  
17 complex organizations such as the National Security Agency  
18 and elements in the Department of Defense as well as the  
19 CIA, the Defense Intelligence Agency, the  
20 counterintelligence functions of the FBI, and intelligence  
21 functions of State, Treasury, and other departments and  
22 agencies.

23       What are the needs and resources of the community? The  
24 DCI's role in the community resource management: Should the  
25 DCI maintain his sole and exclusive authority over resource

1 decisions? Should such decisionmaking be elevated to the  
2 National Security Council level? Should it be returned to  
3 an executive committee process?

4 The intelligence community staff: Should it be  
5 substantially reduced in size and scope?

6 I believe a long-range strategic planning process  
7 should be established and enjoy a high priority within the  
8 intelligence community. Over the past decade intelligence  
9 capabilities have been allowed to erode. And because of  
10 past successes, competing demands and resource constraints,  
11 we have been mortgaging the future of today's needs, and the  
12 future keeps getting pushed further away.

13 A number of areas need sustained attention and an  
14 infusion of resources. We need to reestablish a robustness  
15 in the intelligence system, particularly in technical  
16 collection capabilities. We must maintain a robust and  
17 flexible mix of capabilities to overcome the unexpected  
18 losses in a timely fashion.

19 We must also begin to lay the groundwork for decreasing  
20 our dependence on foreign territories for critical  
21 intelligence missions. We need to expand and improve the  
22 analytic capabilities within the intelligence community. In  
23 almost every instance in recent years, so-called  
24 "intelligence failures" have been the result of shortcomings  
25 in analysis. We must expand and strengthen the analytic

1 corps and their support systems. We need to be able to  
2 attract good people and establish a long-term management  
3 commitment to improving analysis through career incentives,  
4 training, investment in improving data bases, and ADP  
5 support, and critical but constructive product evaluation.  
6 Overall management of the production process also needs  
7 continued improvement.

8 Human resource collection activities need to be  
9 expanded and strengthened in key areas around the world. We  
10 need much better coverage and reporting on long-term  
11 political, societal, and economic trends in these areas. We  
12 need to increase investment in new technologies that offer  
13 possible breakthroughs or major advancements in intelligence  
14 capability.

15 We cannot afford to continue to rely on past  
16 successes. We must press the state of the art to stay ahead  
17 of our adversaries. A number of new technologies are ripe  
18 for advancement, but because of bureaucratic politics or the  
19 lack of resources or money, they have not been pursued  
20 vigorously.

21 The intelligence community should be given special  
22 consideration when establishing governmentwide policies, not  
23 that they should be necessarily exempted, but certain  
24 policies can have serious impact on intelligence if not  
25 clearly thought through and closely monitored.

1           Two that come quickly to mind are manpower and space.  
2         The intelligence community has undergone a substantial  
3         manpower retrenchment, and some kind of hiring restriction  
4         continuously since the mid 1970s. During the same period,  
5         the overall level of federal employment has grown  
6         substantially. The retrenchment, plus the hiring  
7         restrictions, has had serious impact on hiring as well as on  
8         retaining good people and the community's ability to do its  
9         job.

10         U.S. space policy has profound implications for  
11         intelligence capabilities. Any new developments for space  
12         launch and exploration should consider the impact it may  
13         have on military and intelligence missions.

14         Among other issues awaiting actions are: the Freedom  
15         of Information Act should be modified so that the FBI and  
16         CIA are granted some relief from its provisions. And I wish  
17         to emphasize that the public identification of CIA operators  
18         in the United States or abroad must be made illegal, and we  
19         must attach proper penalties to it. Legislation to  
20         accomplish this will be a priority for the 97th Congress.

21         Also, we need strong language proficiencies at all  
22         intelligence agencies overseas. The rash of trials of FBI  
23         personnel, congressional investigations, mood of Congress,  
24         and so forth has inhibited intelligence operatives around  
25         the world from exploiting targets of opportunity. Such

1 operations have required the approval of scores of people.  
2 This must be altered to regain the confidence of our allies  
3 and our agents. A number of operatives are spending an  
4 inordinate amount of time in developing defensive memos in  
5 anticipation of investigations or criticisms of their  
6 actions. This must be changed to emphasize initiative in  
7 action.

8 And finally, there must be a close working relationship  
9 between the committee and the director of the nation's  
10 intelligence system if the important task of protecting the  
11 life and liberty of the American people is to succeed. Such  
12 trust between the legislative and executive branches  
13 provides assurance to the American people that the  
14 necessarily secret activities of national security are being  
15 conducted in the interest of our democratic society.

16 Those are my comments, Mr. Casey, on the way I view  
17 intelligence. And I might say that my interest in  
18 intelligence, while not as thorough as yours, goes back to  
19 the times when the OSS was an active organization.

20 If any of the members of the committee would care to  
21 comment on what the chairman has said?

22 I am reminded that Senator Huddleston has an opening  
23 statement. Would you like to make it a part of the record,  
24 or would you like to state it?

25 Senator Huddleston. It's very short, Mr. Chairman.

1           The Chairman. All right, go ahead and read it.  
2           Senator Huddleston. I might say, Mr. Chairman, that my  
3     interest in intelligence goes back just about as far as \_\_\_\_\_  
4     yours. I was very interested in the activities of the OSS,  
5     too, having been a tank gunner in Europe in World War II,  
6     and very concerned about what we knew about the other side.  
7     And we're very pleased to learn of the activities of the  
8     designee during that very critical period in time.

9           Put more recently, I have been a member of the Select  
10   Committee on Intelligence since it was formed, and prior to  
11   that, the Investigative Committee on Intelligence from its  
12   inception. And I have developed the very healthy respect  
13   for our intelligence operations and, at the same time, I  
14   think, reasonable concern about the manner in which it  
15   operates. And I am thoroughly convinced that we need the  
16   very strongest, most efficient intelligence operation that  
17   we can possibly provide.

18           But since the Select Committee on Intelligence was  
19   established, the relationship between this committee and the  
20   Director of Central Intelligence has been excellent. In  
21   order to do the tasks assigned to it by the Senate, the  
22   committee has had full access to the product of the  
23   intelligence agencies and has relied on the DCI to keep the  
24   committee fully apprised of all significant intelligence  
25   activities.

1       The next DCI will stand in a new position in his  
2 relations with this committee and its counterpart in the  
3 House. This past October the Intelligence Oversight Act of  
4 1980 became law. Now what had been a working relationship  
5 has been codified in statute. Under the Oversight Act the  
6 intelligence community has responsibilities it must uphold  
7 in dealing with the two intelligence communities, just as  
8 the intelligence committees have responsibilities to the  
9 community.

10       The law now requires the DCI and other heads of  
11 intelligence agencies to keep the committees fully and  
12 currently informed and to respond to their requests for  
13 required information. The committees are to get prior  
14 notice of significant activities. But in special cases,  
15 notices can be given to only a small number of committee  
16 members. The committees are responsible for the protection  
17 of the information they are given and, by inference, for  
18 making certain that the community gets the legislative and  
19 budgetary support it requires to do its job.

20       The bill had bipartisan support on both sides of the  
21 Hill. It was supported by the White House and all the  
22 affected agencies. Last week, General Haig told the Foreign  
23 Relations Committee, and I quote, "I am aware that the  
24 Congress has established procedures for informing the Senate  
25 Intelligence Committee of all intelligence activities,

1 including any significant anticipated intelligence  
2 activity. The Reagan administration intends to follow those  
3 procedures."

4 In sum, the Congress and the executive branch have  
5 entered into a partnership to ensure that we have the best  
6 possible intelligence apparatus. I look forward to working  
7 with Mr. Casey, once his nomination is approved, to achieve  
8 this aim. An effective intelligence service, however,  
9 requires recognition of the inviolability of sensitive  
10 intelligence sources and methods. If we cannot observe the  
11 secrecy of intelligence material, we jeopardize the safety  
12 of individuals, hundreds of millions of dollars in  
13 investment, and the national security itself.

14 Policy issues are being fought by selective disclosures  
15 to the media, and the leaks continue unabated even during  
16 the time of transition. I believe that during the past  
17 several months I have seen the intelligence activities and  
18 security information politicized far beyond any time during  
19 my observance. And I for one refuse to believe that so long  
20 as such issues as the verification of the SALT Treaty or the  
21 need for a new manned bomber are controversial, that these  
22 irresponsible leaks must continue.

23 This committee has done its best to stem the flow, and  
24 certainly most of those in the intelligence community and  
25 the executive branch with access to classified material are

1 dedicated, patriotic citizens. They handle their  
2 responsibility admirably and respect the conditions under  
3 which they work. Yet, the leaks persist, and we have seen a  
4 very determined effort by some to influence policy decisions  
5 in this country or to reflect favorably or unfavorably upon  
6 various individuals through selective leaks of security  
7 information.

8 I hope that, during the course of these hearings, Mr.  
9 Chairman, that we can hear from Mr. Casey a determination  
10 that he will do whatever is in his power to stop these kind  
11 of abuses.

12 Thank you, sir.

13 The Chairman. Thank you, Senator Huddleston.

14 I think Senator Chafee has a few words he would like to  
15 say.

16 Senator Chafee. Yes, Mr. Chairman. First of all, I  
17 would just like to say how fortunate I believe the nation is  
18 that Mr. Casey has responded to the call of the  
19 President-elect to serve in this very, very important  
20 position. As has been pointed out, Mr. Casey has had an  
21 extraordinary background. In looking at his biography in  
22 the book that was given us, it just very modestly says, from  
23 1942 to 1945 he was in the U.S. Navy Reserve chief of  
24 intelligence operations, OSS, European theater.

25 Now, that says an awful lot when you're chief of the

1 intelligence operations for the OSS in the European Theater  
2 at the age of 30. It shows the extraordinary ability that  
3 Mr. Casey has. And he is a person who, in every job he has  
4 undertaken, has excelled at it.

5 As we go into this new position, I look forward to the  
6 close cooperation with this committee and with Mr. Casey,  
7 and I certainly hope that he will give his active support to  
8 a couple of pieces of legislation, which you mentioned, Mr.  
9 Chairman, which I have been deeply interested in; namely,  
10 legislation to protect the identities of our clandestine  
11 intelligence officers from unauthorized disclosure.

12 Last year, that was reported from this committee by a  
13 vote of 13-1. We did not have a vote on it in the fall.  
14 But I am hopeful that again we can report it out from this  
15 committee and have a vote on it successfully on the floor.  
16 And we count on the active support of Mr. Casey in those  
17 efforts.

18 Also, as you mentioned in your opening statement, Mr.  
19 Chairman, I believe it's appropriate to consider and to pass  
20 legislation dealing with some limitations on the Freedom of  
21 Information Act as it applies to the clandestine service, to  
22 the CIA. And, again, we look forward to the support of Mr.  
23 Casey in these efforts.

24 So, Mr. Chairman, I think the future of this agency is  
25 in excellent hands, and I believe that we will have a very

1 close and successful working relationship with Mr. Casey.

2 Thank you.

3 The Chairman. Are there any Senators on the Democrat  
4 side who wish to say anything?

5 Senator Moynihan has a statement I think we will wait  
6 for.

7 Senator Wallop?

8 Senator Wallop. Thank you, Mr. Chairman. Mine is very  
9 short.

10 Mr. Casey, it is a pleasure and a privilege for me to  
11 see you here, and I echo the words the words that Senator  
12 Chafee and others have spoken of you.

13 You may recall when first we met I spoke at your  
14 request at a meeting of your fellow veterans of the OSS, and  
15 you may also recall at that time that I painted a rather  
16 bleak picture of the current state of American  
17 intelligence. At the time we were talking, that that was  
18 the house that was built on the foundations which you helped  
19 establish in this country in the OSS. You may recall also  
20 that I urged the audience to begin to take an active  
21 interest and role in intelligence affairs. And I am glad to  
22 see at least one person in that audience heeded the  
23 request. I am happy to see you here.

24 It is customary at moments like this to predict that  
25 the nominee will enjoy great success. And if anybody can

1 bring great success, I predict that you will. But I do not  
2 make any such prediction as to the likelihood of the  
3 success. You bring enormous skills and great integrity to  
4 this job.

5 And so, instead, I wish you luck and offer you support,  
6 mine and I am certain that of the committee's, because I  
7 think you will need as much as you can get of both, because  
8 you are taking over an agency in the CIA which, in many  
9 respects now, is unequal to its tasks and whose task is  
10 growing in size and importance every year and too many of  
11 whose top people seem more inclined to bureaucratic  
12 infighting than to quality work.

13 And so I think, even with great insight and  
14 determination and support, you're going off to try a very  
15 difficult task against long odds.

16 One of my colleagues on this committee has called the  
17 CIA a "danger to national security." And indeed, few things  
18 have contributed so to the danger that this country now  
19 finds itself as the CIA's faulty national estimates over the  
20 last decade and decade and a half.

21 When the Soviets were beginning the greatest strategic  
22 buildup of all time, the CIA said the Soviets were unlikely  
23 to try to match us in numbers of missiles. When the Soviets  
24 approached our numbers, the CIA said they were unlikely to  
25 exceed it substantially. When they exceeded it

1 substantially, the CIA said that the Soviets would not try  
2 for the capability to try to fight and win a war against  
3 us. And now that the Soviets have nearly achieved such a  
4 capability, the CIA's estimates tell us the Soviets cannot  
5 be sure it will work.

6 I could go on and on with such examples. But my point  
7 is simple: Something is deeply and dangerously wrong. Some  
8 things the Congress did do to bring about this state of  
9 affairs, and some things the Congress can do to relieve it.  
10 But Congress did not cause the CIA to be so bad at analyzing  
11 intelligence. And, by the same token, the Congress did not  
12 cut the CIA's counterintelligence service to a shadow of its  
13 former self. And Congress did not indeed bring clandestine  
14 collection or covert action to its current sad state of  
15 capability.

16 My point is, Mr. Casey, that you will be facing  
17 powerful trends, long since in place within the intelligence  
18 bureaucracy. And these trends have brought about a sort of  
19 revolution on American intelligence. And unless, in my  
20 opinion, they are reversed, that revolution will prevail.  
21 And for the sake of the country, I hope it does not. And  
22 for the sake of the country, I hope things will change in  
23 American intelligence. And for the sake of the country, I  
24 am very grateful that you are about to take over that  
25 agency.

1       Thank you, Mr. Chairman.

2       The Chairman. Thank you, Senator.

3       As an aside, I just couldn't help commenting on Senator  
4       Huddleston's remarks about leaks. And we are very proud on  
5       this committee that we haven't had them from the committee.  
6       But there are certain areas of the press that have leaked  
7       rather profusely. But I have to say that President-elect  
8       Reagan has discovered the proper way to handle that: He has  
9       made the chief leaker a part of his administration. That's  
10      one way to handle that.

11       Mr. Casey, I am going to put in the record at this  
12      point a very brief outline of your background from the time  
13      of your birth in New York City. And you may proceed on your  
14      own now, if you care.

15       (The biography of Mr. Casey follows.)

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1 STATEMENT OF WILLIAM J. CASEY

2 Mr. Casey. Thank you, Mr. Chairman.

3 Mr. Chairman and distinguished members of this  
4 committee, it is an honor for me to be here today to meet  
5 with you and to discuss my qualifications for the post for  
6 which President-elect Reagan has nominated me.

7 I want to say at the outset that I believe it to be  
8 vital that this nation have a strong and effective  
9 intelligence organization with a wide range of capabilities  
10 and with the flexibility to adapt and focus them on whatever  
11 exterior threats or problems confront the President, the  
12 National Security Council, Congress, the executive branch,  
13 all of us.

14 I would like to assure the Senators who have spoken and  
15 expressed their views about the serious problems that  
16 confront the intelligence community in times of rebuilding,  
17 performance, security, that I am determined to correct these  
18 problems, improve performance. And I believe that, with the  
19 support of this committee and the support of the  
20 intelligence community, we shall be able to do that.

21 At the outset, I would also like to say that it may be  
22 helpful to outline the experience which has formed my views  
23 on intelligence.

24 In World War II I was a naval officer. I had  
25 intelligence assignments, first in Washington as an aide to

1 General William J. Donovan, then a director of the Office of  
2 Strategic Services, and subsequently in London as an aide to  
3 Colonel David K. E. Bruce, the commanding officer of that  
4 organization in the European Theater of War with General  
5 Eisenhower commanding.

6 Our activities there consisted primarily of working  
7 with British and French intelligence and supporting French  
8 resistance forces to develop support for the Allied armies  
9 as they invaded and liberated France. When it became clear  
10 in the fall of 1944 that the war would not be won in France  
11 but that there would be hard fighting in Germany, I became  
12 engaged in shifting what had been a French-oriented  
13 organization to one that could function effectively in  
14 Germany.

15 When we were surprised by the Hitler counteroffensive  
16 in the Ardennes, in what became known as the Battle of the  
17 Bulge, I was appointed chief of secret intelligence for OSS  
18 in the European Theater. In this capacity, I was charged  
19 with sending observers to railroad and military centers in  
20 Germany to report on the movement of German forces, on  
21 targets suitable to air attack, and similar military  
22 information.

23 I would like to say that from that experience it was  
24 clear that intelligence and counterintelligence capabilities  
25 that were brought to bear against the enemy were worth many

1 German divisions, that they saved many lives and much time  
2 and much treasure, much blood.

3 It is also clear that America entered that conflict  
4 without any significant intelligence capability, that it was  
5 able to perform -- we were able to perform -- in the  
6 intelligence and counterintelligence contributions to the  
7 conduct of the war in Europe were based primarily on the  
8 long tradition, experience, the personnel that it created,  
9 and the British system, which was our tutors and our  
10 mentors.

11 I say that because today it is clear that the American  
12 intelligence system occupies that role. It is a repository  
13 of many of the capabilities which do not exist elsewhere.  
14 And that emphasizes in my mind the absolute imperative  
15 nature of maintaining that capability as the best  
16 intelligence system in the world, building on it, and  
17 constantly improving it.

18 Now, for a few years immediately after World War II, I  
19 worked with General Donovan, with General Quinn who is here  
20 today, other colleagues in wartime intelligence in urging  
21 that our nation needed a permanent central intelligence.  
22 And in studying how such an organization should be organized  
23 and function.

24 Since that time I have spent my private working life as  
25 a practicing lawyer, as an author, editor, and

1 entrepreneur. All of these activities involving somewhat  
2 the same kind of gathering, evaluation, and interpretation  
3 of information which good intelligence work requires. I  
4 maintain an interest in foreign policy and national  
5 defense. As a founding director of the National Strategy  
6 Information Center, I worked on the establishment of chairs  
7 and professorships in national security in some 200 campuses  
8 throughout the United States.

9 During 1969 President Nixon appointed me to the General  
10 Committee on Arms Control, on which I served during the  
11 preparation and negotiations for SALT I. This experience  
12 impressed upon me the vital significance of good  
13 intelligence in establishing adequate defense in negotiating  
14 arms control arrangements and in verifying that those  
15 arrangements are being observed.

16 I became a consumer of intelligence in another capacity  
17 as undersecretary of state in 1973 and 1974. And as a  
18 member of the Commission of the Organization of the  
19 Government for the Conduct of Foreign Policy, known as the  
20 Murphy Commission after its chairman, Robert Murphy, a  
21 distinguished diplomat of long standing, I took a special  
22 interest in the organization of the intelligence community  
23 and improving the relevance and quality of analysis and  
24 developing a more effective relationship between producers  
25 and consumers of intelligence.

1        In 1976 President Ford appointed me a member of the  
2 President's Foreign Intelligence Advisory Board. There my  
3 special interests were a greater concentration in improving  
4 economic intelligence and the experiment in competitive  
5 analysis of Soviet strategic intentions, the potential  
6 capabilities of Soviet air defense, and the accuracy of  
7 Soviet missiles, all of which I believe demonstrated the  
8 value of some form of competitive analysis.

9        Now, there is no need for me to describe to this  
10 committee the varied and complex challenges that confront  
11 our nation, the complexity of the political, military, and  
12 economic forces with which we must deal, or the importance  
13 of good intelligence to the formulation and execution of  
14 effective policies.

15       And if I am confirmed for the position for which I have  
16 been nominated, it will be my purpose to provide for our  
17 policymakers in the Congress as well as the executive branch  
18 timely and accurate information, analysis, and estimates on  
19 which they can rely in establishing the defensive strength  
20 we need in seeking arms limitations and developing and  
21 maintaining satisfactory relations with other nations and in  
22 competing in an increasingly interdependent and competitive  
23 global economy.

24       Our foreign policies and defense strategies will never  
25 be better for long than our intelligence capabilities. In

1 an era of increasing military vulnerability, effective  
2 intelligence is of far greater importance than it may have  
3 been some years ago when we had clear military superiority.  
4 Anticipating potential problems and threats, understanding  
5 the reasons behind events, and foreseeing all the potential  
6 opportunities, both diplomatic and military, will be  
7 critical to successful international relations over the next  
8 decade. We are in a period, I believe, where investments in  
9 intelligence capabilities will yield major returns.

10 Generally, there was a poor public perception and  
11 understanding of the value of the American intelligence  
12 community to the security of the free world. The CIA, in  
13 particular, suffers institutional self-doubt. Many of its  
14 most competent officers have retired or are about to  
15 retire. The morale of much of the agency is said to be  
16 low. Too often, the agency has been publicly discussed as  
17 an institution which must be tightly restrained, stringently  
18 monitored, or totally reorganized. Little has been done in  
19 recent years to stress publicly the critical role which the  
20 intelligence community has to play in the formulation and  
21 execution of our nation's foreign policies and defense  
22 strategies.

23 Too many have worked to reduce the feeling of  
24 self-worth of intelligence officers. Too few have worked to  
25 motivate the best minds in the country to see the

1 intelligence profession as one which is desperately needed  
2 for our national security.

3 Now, while members of the community realize they cannot  
4 receive public recognition for particular tasks well done,  
5 they rightfully respect the support of the government which  
6 they serve. All too often, their failures are widely  
7 publicized, but their successes, by their very nature, are  
8 generally hidden.

9 We need to make it clear that while we work to improve  
10 the intelligence community, it has our full trust and  
11 confidence, that the intelligence profession is one of the  
12 most honorable professions to which Americans can aspire,  
13 and that we have an appreciation for the dedication and  
14 professionalism of its members. We should call our young  
15 Americans to serve their country in intelligence work. We  
16 should ask American scholars to serve their country by  
17 sharing their scholarship and insights with those in the  
18 community who are responsible for preparing the analyses  
19 used to develop foreign policy and defense strategy.

20 In the months ahead, this nation will continue to  
21 confront major international crises. This is not the time  
22 for another bureaucratic shakeup of the CIA. Instead, it is  
23 a time to make American intelligence work better to become  
24 more effective and more competent, and to make the members  
25 of this establishment respect it and honor it.

1        In almost every instance in recent years, so-called  
2    "intelligence failures" have been the result of shortcomings  
3    in intelligence analysis and sometimes in policy  
4    conclusions. The necessary relevant information, the facts,  
5    were generally available. But frequently, either good  
6    analysis or sound conclusions did not follow.

7        To be truly beneficial to consumers, the data collected  
8    must be subjected to critical and insightful analysis,  
9    conducted by trained, competent professionals with a rich  
10   background in the subjects required. The issues with which  
11   we have to deal require the best analytical capabilities  
12   applied to unclassified as well as classified sources.

13       The attractiveness of intelligence analysis as a  
14   profession, part-time as well as full-time, needs to be  
15   increased. We need to tap the insights of the nation's  
16   scholars in the effort to upgrade the quality of  
17   intelligence analysis.

18       We must search for new and better ways to get  
19   continuing input from the outside world in order to gather  
20   information available inside and outside of government and  
21   to get the best analysis of the full range of views and data  
22   available. A revival of the President's Foreign  
23   Intelligence Advisory Board can contribute substantially to  
24   this.

25       And there are many other possibilities. When I was

1 chairman of the SEC, I created a large number of task forces  
2 made up of members of the SEC staff and people experienced  
3 in various phases of the investment industry, assigned to  
4 report on regulatory needs for new forms of investment and  
5 trading.

6 By minimizing paper and regulatory burdens, on making  
7 investment analysis more widely available to public  
8 investors, and similar subjects, we were able to gather  
9 insight and perspective which was just not available in  
10 Washington. And I believe that the same opportunities exist  
11 in the academic community and in the business community to  
12 make American governmental intelligence function more  
13 effectively and come to more reliable and realistic  
14 conclusions.

15 It's not enough, however, to have good information and  
16 accurate assessments. The findings and the views of the  
17 intelligence community must be forcefully and objectively  
18 presented to the President and the National Security  
19 Council. I assure you that I will present these views  
20 without subjective bias and in a manner which reflects  
21 strongly held differences within the intelligence  
22 community. It will be my purpose to develop estimates which  
23 reflect a range of likely developments for which  
24 policymakers must prepare in a manner which emphasizes hard  
25 reality undistorted by preconceptions or by wishful

1 thinking.

2 As we look back at the recent past, we should remember  
3 how early intelligence reports on Soviet missiles in Cuba in  
4 1962, on Soviet divisions preparing to enter Czechoslovakia  
5 in 1968, on Arab preparations to attack Israel in '73, were  
6 obscured by judgments that it would not be sensible for  
7 these weapons and divisions to have other than defensive or  
8 training purposes.

9 Alternative possibilities and their implications must  
10 be fully set forth in our assessments so they can be  
11 reflected in our preparation and in our policies. To carry  
12 out this assignment, the intelligence community needs both  
13 public support and the full participation and cooperation of  
14 the Congress.

15 I am pleased that after a period of turmoil, the  
16 executive and legislative branches have now  
17 institutionalized their arrangements in the Intelligence  
18 Authorization Act of 1981, as Senator Huddleston has  
19 described. And I pledge to conduct the relations of the  
20 intelligence community with the Congress in a consultative  
21 mode. I pledge care and diligence to protect the legal  
22 rights of American citizens.

23 I pledge to work closely with Congress on this as well  
24 as in monitoring and improving the performance of the  
25 community, particularly for the intelligence committee study

1 of U.S. intelligence products, procedures, and budgets,  
2 Congress will provide a valued independent source of review  
3 to ensure we are achieving all that is humanly possible and  
4 that Congress will be in a position to provide any necessary  
5 legislation or other action to improve our performance.

6 I will cooperate fully in facilitating the oversight  
7 through which Congress can ensure that the community  
8 operates within the limits of the law. This will provide  
9 the American people with additional assurance that U.S.  
10 intelligence will fully respect their civil liberties and  
11 further strengthen public confidence in the performance of  
12 the intelligence community.

13 We -- the Congress, and the agency, the community --  
14 have a common purpose in assuring ourselves of a  
15 comprehensive intelligence system of unqualified  
16 preeminence, operating efficiently and within the  
17 requirements of our laws.

18 I expect to conclude, as I review the organization, the  
19 structure, and the performance of the community, that there  
20 are some steps which should be taken to improve our  
21 intelligence performance. If confirmed, I will promptly and  
22 in consultation with the members of the intelligence  
23 community and the Congress review without preconception the  
24 system, our intelligence system as it has developed, as it  
25 now exists, and determine how I believe it is working and

1 how that performance can be improved.

2       Many Senators and Congressmen have put forward a number  
3 of suggestions to protect the identities of U.S.  
4 intelligence officers and provide relief from some aspects  
5 of the Freedom of Information Act. I, too, share the  
6 concerns that led to these actions, and I hope that the  
7 Congress will complete the important work initiated in the  
8 last session.

9       I will examine how we are utilizing the resource that  
10 we have to produce intelligence: Are we attracting enough  
11 of the best people and providing them with the best possible  
12 training; and are we providing adequate incentives so that  
13 we can keep the most competent of those we have?

14       I know you and your counterpart committee in the House  
15 and academic experts outside of Congress have been studying  
16 these matters. As I complete and as I carry on and complete  
17 my evaluation, I would plan to review my findings with you  
18 as soon as possible to determine how we can build on our  
19 strengths and to reduce areas of weakness.

20       That, Mr. Chairman, is my statement. I welcome any  
21 questions that you and other members of the committee may  
22 have.

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1       The Chairman. Before we start questioning you, it is  
2 necessary for me to swear you in. Would you rise, please,  
3 and hold up your right hand?

4       Do you swear that the answers you will give to the  
5 questions asked will be the truth, the whole truth, and  
6 nothing but the truth, so help you, God?

7       Mr. Casey. I do.

8       The Chairman. Thank you very much.

9       Senator Biden. Mr. Chairman, before we begin  
10 questioning, I apologize for being late. I was questioning  
11 General Haig.

12       May I ask unanimous consent that the opening statement  
13 I had be inserted in the record as if read, and explain to  
14 the Chairman that I will be in and out because we're still  
15 questioning General Haig. But thank you for the indulgence.

16       The Chairman. I'll see you there this afternoon.

17       Senator Biden. You're going to testify. I'll  
18 certainly be there, Mr. Chairman, when you testify and  
19 promise to ask no hard questions.

20       (The information referred to follows:)

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1       The Chairman. I think before we start questioning I  
2 would like to ask Senator Moynihan either to read an entire  
3 paper he has or any parts of it he cares to, and the entire  
4 paper will be made a part of the record at this time.

5                     (The information referred to follows:)

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1 Senator Moynihan. Thank you, Mr. Chairman. If I can  
2 just preface that exercise by saying to Mr. Casey that Mr.  
3 Casey, I think that was a superb opening statement and that  
4 your pledge of care and diligence in protecting the legal  
5 rights of American citizens is what we hoped to hear from  
6 you; your pledge to cooperate fully in facilitating the  
7 oversight through which Congress can assure that the  
8 intelligence community operates within the limits of the law  
9 is what we wished to hear from you; and your statement that  
10 you are concerned with the quality of the performance is  
11 what we hope you will do.

12 I would like to extend, if I can, just a moment the  
13 statement of Senator Huddleston about the concern on this  
14 Committee, which has to my knowledge not previously been  
15 made public in that way, was the degree to which genuine  
16 security information was leaked out of the Executive Branch  
17 -- our own experience is of the last Administration, so it  
18 doesn't mean it's unique to that one; it's the only one we  
19 know -- as part of a policy competition that seemed to us  
20 very destructive.

21 To try to raise a level of recognition, last May 15, as  
22 you would agree, sir, the most important product -- or would  
23 you agree -- the most important product of the intelligence  
24 community are the annual estimates which are presented to  
25 the President, and you spoke about them, the national

1 intelligence estimates, the NIE, and I see you do agree.  
2 They are the most sensitive materials the community  
3 produces, the most important.

4 Last May 15 I put the intelligence estimates into the  
5 Congressional Record, not in their original form, and I have  
6 never seen them in their original form, but as they had been  
7 presented to various newspapers by the White House. And one  
8 newspaper had a slightly different version than another, and  
9 finally Mr. Birch felt he had to straighten it all out and  
10 say this is what the national intelligence estimate had.  
11 Mr. Birch is now a member of the Administration, and that's  
12 how he did it.

13 That troubled us a great deal. It did trouble us. I  
14 hope it troubles you. And I just ended my statement by  
15 saying on the floor Congress is attending to its purposes in  
16 seeking oversight of a responsible and effective  
17 intelligence community. So long as that effectiveness is  
18 undone by the very officials who are to be served by the  
19 community, that effort of the Congress cannot succeed.

20 And I would hope you would let it be known that this  
21 Committee thinks a lot of people were less than responsible  
22 in their behavior, and that no matter how well you do your  
23 work, if you're to be undone by the people you do it for,  
24 it's a futile exercise.

25 Put that is beside the purpose, and the Chairman has

1 been kind enough to let me ask this question. As you know,  
2 Mr. Casey, we adopted last year in the Intelligence  
3 Authorization Act of the fiscal year 1981, we codified the  
4 oversight responsibilities of this Committee and the  
5 reporting responsibilities of the intelligence community.

6 You remarked that our system begins as modeled on the  
7 British intelligence operation, Second World War, the only  
8 one that we had access to and when we had none, but how very  
9 differently we have evolved.

10 The Intelligence Oversight Act is unique in the world.  
11 There is no nation in the world where there is such a  
12 relationship between the intelligence community and the  
13 legislature. In Great Britain there would not be three  
14 members or four members of the Parliament who would even  
15 know your name, and you would certainly not be appearing  
16 before television cameras.

17 But, now, we have dealt with this in a different way,  
18 enacting as law the responsibility of the Executive Branch,  
19 the responsibility that falls on you, to keep this Select  
20 Committee fully and currently informed of all intelligence  
21 activities which are the responsibility of, or engaged in  
22 by, or carried out for or on behalf of any department,  
23 agency, or entity of the United States, including any  
24 significant anticipated intelligence activity.

25 We allow that latter category to be restricted to the

1 ranking members, the Chairman and Vice Chairman of this  
2 Committee, and the Majority and Minority leader, but that's  
3 a very explicit requirement.

4 Now, there is, however, a gray area. In the preamble  
5 we say that this must be done consistent with the  
6 President's duties under the Constitution and consistent  
7 with his responsibility with due regard for the protection  
8 of unauthorized disclosure of classified information and  
9 information relating to intelligence sources and methods.

10 So since we say it must be done consistent with, we  
11 concede the point that there may be occasions when it's  
12 inconsistent. But when such judgments should arise, we have  
13 another section of the law which says when information is  
14 withheld under that preambular provision, there must come a  
15 time in timely fashion when the President does inform us of  
16 what took place, and therefore there is no exception to our  
17 being informed.

18 Now, I'd like to ask your judgment, sir, about your  
19 intention, your pledge which you gave us to comply with this  
20 law, but ask you about your pledge in the context of that  
21 measure of ambiguity -- we couldn't get it out -- as between  
22 the President's constitutional responsibilities and our  
23 right to enact laws. Because as you know, there have been  
24 occasions in a long and distinguished career in which it has  
25 been charged that you have not been forthcoming to the

1 Congress with materials requested of the Congress, and have  
2 been in one way or other asserting either -- well, I don't  
3 think it's Executive Branch privilege so much as the  
4 privilege of an independent agency. And these took place  
5 when you were Chairman of the Security and Exchange  
6 Commission.

7 Now, as you expect us to have done, we looked into this  
8 matter prior to this hearing, and I took the liberty of  
9 writing to -- of getting in touch with Mr. Stanley Sporkin,  
10 who is the Director of Enforcement of the SEC, who has been  
11 there a very long while and is, I think, a distinguished  
12 public servant by anyone's standards, to do what cannot have  
13 been the easiest thing for him to be asked, to judge your  
14 performance as Chairman of the Commission with respect to  
15 two specific matters, that of withholding from a House  
16 Committee materials concerning the ITT Company, Corporation  
17 rather, and passing those materials instead to the  
18 Department of Justice. And then with respect to the  
19 investigation of Mr. Vesco and the fraudulent activities in  
20 which he was involved for Investors Overseas Services, IOS,  
21 if I recall.

22 Now, Mr. Chairman, I have a letter here from Mr.  
23 Sporkin which I'd ask it be included in the record. It's a  
24 very extensive one. It is five pages, single typed. But I  
25 want it to be stated that with respect to the enforcement

1 actions involving the International Telephone and Telegraph  
2 Corporation and Mr. Robert Vesco, it states in the most  
3 emphatic terms that your behavior was, in the judgment of  
4 Mr. Sporkin, above reproach. More than that, it was more  
5 than legal behavior, it was more than responsible behavior;  
6 it was, in his judgment, exemplary behavior.

7 And I would like to read two paragraphs at the end in  
8 which he says, "I relate these events to illustrate" -- may  
9 I just first say that this letter is available at the press  
10 table for anyone who wishes it.

11 "I relate these events to illustrate two significant  
12 aspects of Mr. Casey's involvement in this important  
13 matter." This is the Vesco case. "First, it demonstrates  
14 perceptive and thoughtful analysis by Mr. Casey, who having  
15 been with the Commission less than two years at the time,  
16 was able to make such an imaginative and wise decision.  
17 Second, the extreme interest and aggressive determination of  
18 Mr. Casey enabled the Commission to bring the case to a  
19 successful and speedy conclusion.

20 "The actions of Mr. Casey that I have described were  
21 unprecedented by any other Commission Chairman. Further,  
22 his entire conduct is simply inconsistent with any  
23 suggestion that Mr. Casey intended in any way to befriend or  
24 assist Robert Vesco.

25 "One further point. As I reflect upon the Casey years

1 at the Commission I can truly say they were some of the  
2 finest moments I have experienced during my 19 years on the  
3 Commission's staff. Mr. Casey was an able Chairman and a  
4 fine person. I am grateful for the opportunity to have  
5 served him during his term as Chairman of the Commission.  
6 If I can be of any further assistance, please do not  
7 hesitate to call me."

8 Now, this, of course, is the most -- I'm sure it's most  
9 welcome for you to hear that. This Committee will welcome  
10 it's being stated. But it doesn't entirely deal with the  
11 point we are concerned with. It addresses much of that  
12 point. We are prepared to learn that you were an exemplary  
13 Chairman, and you were, and energetic and innovative; but  
14 how do you feel about telling this Committee things we need  
15 to know and you would just as soon not more than two people  
16 in the world know?

17 Mr. Casey. Well, Senator, I intend to comply fully  
18 with the spirit and the letter of the Intelligence Oversight  
19 Act. I intend to provide this Committee with the  
20 information it believes it needs for oversight purposes. I  
21 believe the detailed implementation of that general  
22 intention is something we will work out as we go along.

23 I would intend to follow the practices that have been  
24 worked out with the President, the incumbent of this office  
25 or the office for which I've been nominated. And there are

1 some reservations of constitutional authority that relate to  
2 the President's constitutional authority.

3 I cannot conceive now of any circumstances under which  
4 they would result in my not being able to provide this  
5 Committee with the information it requires. I would  
6 obviously have to be subject to and discuss with the  
7 President any particular situations which I cannot now  
8 foresee, and I would do that in a way that this Committee  
9 would know about.

10 Senator Moynihan. Well, I thank you, sir. I heard you  
11 say that you could not conceive any circumstances in which  
12 you could not share information with this Committee.

13 Mr. Casey. I said I cannot now conceive.

14 Senator Moynihan. You said not now conceive, and not  
15 for nothing did you go to the Fordham Law School. They  
16 taught you prudence. But you have been in this community  
17 for 40 years, so when you say that you cannot now conceive,  
18 you are speaking of experience; and I take that to be a  
19 straightforward answer, and I thank you for it. And I thank  
20 you, Mr. Chairman.

21 The Chairman. Do you have any questions, Senator?

22 Senator Huddleston. Of the designee? Yes.

23 The Chairman. Go right ahead. Ten minutes.

24 Senator Huddleston. All right, sir.

25 Mr. Casey, one of the buzz phrases that has appeared in

1 recent months has been it's time to unleash the CIA. I  
2 don't know whether you've used that phrase or not. I just  
3 wonder what is your perception of that idea, and to what  
4 extent or what is meant by unleashing the CIA?

5 Mr. Casey. Well, Senator, I have not used that  
6 phrase. I like to think in terms of increasing the ability  
7 of the organization to initiate and carry out its obligation  
8 to perform the thing that it's required to do.

9 I suppose the term "unleash" is used to apply to  
10 suggest that there are ways to ease restrictions, to make  
11 them perhaps less cumbersome without infringing in any way  
12 on the rights that belong to American citizens. I think  
13 that I will want to review the Executive Order. I will want  
14 to discuss the existing Executive Order. I will want to  
15 discuss the way it has operated and the degree to which the  
16 restrictions and the mode in which they have been applied  
17 may impair the effectiveness of the organization in carrying  
18 out the obligations that are placed upon it, to see whether  
19 there is some way to minimize the restrictions which may  
20 impair performance.

21 I will certainly discuss any ideas that I have in that  
22 respect that I develop out of those consultations with the  
23 members of this Committee, and they will not clearly be  
24 implemented without the concurrence of the President and the  
25 input that this Committee can provide.

1 Senator Huddleston. At any rate, you don't perceive at  
2 this time that there is a need to eliminate restraint to the  
3 extent that CIA operatives around the world are free to  
4 freelance and initiate actions on their own without proper  
5 authority and without being certain that they are within the  
6 scope of the objectives and laws relating to the CIA.

7 Mr. Casey. Certainly not.

8 Senator Huddleston. You referred to the Executive  
9 Order. Do you anticipate that there will be a new Executive  
10 Order?

11 Mr. Casey. Well, there's been discussion of a new  
12 Executive Order. I haven't made up my mind. I've heard a  
13 lot of pros and cons, and I really haven't had an  
14 opportunity to study and consider it, and I really can't  
15 fully study and consider it without getting the advice of  
16 those individuals in the intelligence community who have  
17 operated under the existing Executive Order.

18 Senator Huddleston. And you have indicated that if  
19 such an undertaking is made to develop a new Executive  
20 Order, you would consult --

21 Mr. Casey. It would be in consultation with this  
22 Committee and its counterpart in the House.

23 Senator Huddleston. Now, several of us have expressed  
24 concern about the matter of leaking and what seems to me to  
25 be a new development of leaking for specific purposes of

1 influencing policy. And I agree entirely with Senator  
2 Moynihan that this has occurred on both sides of the  
3 political spectrum to a large degree, I think, in recent  
4 months.

5 Do you have any specific plans to deal with that  
6 problem, both within the Administration and without the  
7 Administration?

8 Mr. Casey. I don't have any specific plans. I intend  
9 to strongly exercise the obligation of the Director of the  
10 CIA to establish and enforce security standards. And I  
11 share the general view that's been expressed on the other  
12 side of the table here that leaks are intolerable, the kind  
13 of purposeful leaks that have occurred cannot be tolerated,  
14 and that you cannot maintain an effective and successful  
15 intelligence service if the people who are providing  
16 information feel it is not secure.

17 Certainly we must re-establish in the minds of the  
18 intelligence service of other nations who are important to  
19 us, who provide substantial input, that it is essential to  
20 the judgments that need to be made that we're running a  
21 secure and leakproof outfit.

22 Senator Huddleston. What role have you played, Mr.  
23 Casey, in the transition team?

24 Mr. Casey. Well, I've been chairman of the executive  
25 committee of the transition. I have not had any operational

1 control or direction. I spent most of my time catching up  
2 with my law practice and assessing the financial damage that  
3 I sustained during the campaign, and chairing an interim  
4 foreign policy advisory committee which reviewed the whole  
5 scope of our foreign and national security concerns.

6 Senator Huddleston. Were you responsible for or have  
7 any part in the employment of Mr. David Sullivan in the  
8 transition team?

9 Mr. Casey. No.

10 Senator Huddleston. And do you have any plans for  
11 utilizing Mr. Sullivan in the intelligence makeup?

12 Mr. Casey. I don't have any plans because I don't know  
13 him.

14 Senator Huddleston. Well, he is an individual who was  
15 with the CIA and is no longer with the CIA because of  
16 disclosing classified information. I thought it was curious  
17 that he would wind up on the transition team.

18 Mr. Casey. Well, the transition team was kind of an  
19 amoeba-like creature. They were established primarily under  
20 the direction of Mr. Timmons, and they were able to go out  
21 and add their own advisers to a degree, so that a lot of  
22 people popped up that we didn't know.

23 Senator Huddleston. Mr. Casey, there are some who  
24 believe that certain professions must appear to be  
25 independent of government control in order to perform their

1 functions, in some cases functions protected by the First  
2 Amendment.

3 The current guidelines require that the CIA not use  
4 journalists, or clerics, or academics as agents, with  
5 certain exceptions. Do you think these kinds of guidelines  
6 are advisable?

7 Mr. Casey. I have to say that I start out in thinking  
8 about that problem with the feeling that no American should  
9 be deprived of the opportunity to serve his country in any  
10 way he can by virtue of his occupation or profession. At  
11 the same time, I recognize the sensitivity with respect to  
12 certain professions, and I intend to adhere to the  
13 regulations and procedures that now apply to the  
14 relationships with members of those professions while I  
15 study and find out how those regulations work. And again,  
16 if I come to the conclusion that they can be liberalized or  
17 modified in a way which will improve the performance of the  
18 intelligence community, I will consult with this Committee  
19 before considering a change.

20 Senator Huddleston. Mr. Casey, the Heritage Foundation  
21 and the report of the Republican National Committee last  
22 summer suggested that the CIA be broken up into several  
23 smaller units, including a quite small independent,  
24 clandestine service.

25 What are your views on that proposal?

1       Mr. Casey. Well, I had a prior occasion to study those  
2 recommendations. When I served on the Murphy Commission, a  
3 presidential, congressionally-appointed commission to study  
4 the organization of the government for the conduct of  
5 foreign policy, we went through the whole range of ideas  
6 with respect to breaking up or reorganizing or  
7 reconstituting the intelligence community.

8       We came to the conclusion, which I shared, that  
9 fragmenting the organizations then existing would be  
10 counterproductive, would not be a wise thing to do. Now, I  
11 realize that a lot of time, a lot of water has passed under  
12 the bridge, and I would like to take the stance, my state of  
13 mind today is that I will go in and approach those  
14 possibilities without any preconception, review them again.

15       I would also say, to complete my perspective on that  
16 problem, that I think it's important that we focus and  
17 concentrate on getting the community to perform and be quite  
18 cautious about reorganizations which might disrupt the  
19 opportunity to improve and make its performance more  
20 satisfactory. That's going to be my primary focus.

21       Senator Huddleston. Do you believe that the DCI should  
22 retain the control that has been given it through the  
23 Executive Order over the resources and tasking of the entire  
24 intelligence community?

25       Mr. Casey. I think if he's required to give leadership

1 to the entire community, which I think is necessary that it  
2 be made to work as a cohesive whole, that those authorities  
3 are in general essential. However, I am not wedded to the  
4 way they are being exercised. I think it may be possible to  
5 exercise those authorities in a more general way and to  
6 focus the DCI's attention and effort on making the wheels  
7 and cogs mesh rather than attempting a degree of detailed  
8 management, day to day management, which may or may not be  
9 possible at all.

10 Senator Huddleston. Thank you, sir.

11 Mr. Casey. My general style in this has been to set  
12 objectives and give people authority to go after those  
13 objectives, hold them to their performance, and not get into  
14 detailed management. If they don't perform, then you get  
15 somebody else.

16 Senator Huddleston. Thank you. My time is up.

17 Senator Lugar. Mr. Chairman, Mr. Casey. In another  
18 forum Senator Biden and I have been visiting with General  
19 Haig and thinking through the foreign policy problems that  
20 he faces and that we all face, and certainly your statement  
21 is of, I think, profound significance that the success of  
22 the security of our country in fact accounted to foreign  
23 policy is so critically dependent upon intelligence, upon  
24 the information that comes to policymakers. And it's  
25 important that they be right, but they have a very difficult

1 time being right without having some basis upon which to  
2 make those judgments.

3         The critical question that I want to ask of you is that  
4 granted that premise, and it may or may not be understood by  
5 the public, I think the point of your statement is it really  
6 does need to be understood, so that as you point out,  
7 intelligence will be thought of as an extremely important  
8 profession to which young people might be willing to devote  
9 their lives, to which the very best in American scholars  
10 would be willing to devote their time and effort.

11         Demonstrably it does not appear that that has been the  
12 case in recent years, and this is maybe one reason you have  
13 highlighted this. In short, some of us who have taken a  
14 look at analysis in the intelligence area, while giving full  
15 credit to people who are doing their best, have come to the  
16 conclusion that that is not the best our nation can  
17 produce. Analysis is not the thing that can be churned out  
18 as if we were doing an inanimate object production. It is  
19 the product of the very best of human minds.

20         And the question is how are these persons going to be  
21 attracted to the intelligence community? This is an  
22 anonymous service. The very best of the analysis may never  
23 be known except by historians years later. And when we  
24 consider even in this town the number of people doing  
25 political analysis and the wide variety of opinions they

1 come to with regard to American politics which is close at  
2 hand, makes the problem of getting people to do something on  
3 Iran or Afghanistan or the Soviet Union or what have you  
4 even more critical.

5 Have you given some thought to how, through your  
6 leadership or through other people you might appoint to help  
7 you in this respect, there can be a massive turnaround in  
8 the opinion of the intelligence community by people and  
9 American scholars who are the very best, and who might be  
10 willing to do something for their country, or American young  
11 people, American middle-aged people, for that matter,  
12 American old people, who are really the very best, who will  
13 want to volunteer? We're not having a great, high success  
14 in a conventional military situation.

15 On what basis do you believe you can attract people who  
16 are really topflight to this most critical of professions?

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1       Mr. Casey. I think the analytical profession, as  
2 opposed to analyst, in the intelligence community has to be  
3 made more attractive. I think that one of the things that  
4 happens is in the promotion path, that in order to reach the  
5 higher grades people have to establish themselves and get  
6 experience as analysts frequently drift off into management,  
7 where that's the career path.

8       I think we have to establish a career path and make it  
9 attractive psychologically, socially, and every other way,  
10 for a person to become, seek to become, the most  
11 knowledgeable person on the political currents and the  
12 composition of Iran, as you mentioned, that you have and can  
13 find anywhere.

14       Now, we're not always going to succeed in that. And  
15 that will take time. At the present time, I believe and I  
16 know that there are scholars in the academic community,  
17 there are researchers and analysts in the business  
18 community, there are people who have been abroad in  
19 marketing and dealing with other countries, and there are  
20 people who live in other countries who are here, who know  
21 the country not only its habits and mode of thought, not  
22 only in their intellectual way but in their gut, in their  
23 instinct, they have a feel for it. And we have to find a  
24 way to tap that kind of knowledge and that kind of  
25 experience.

1       Now, what the modus operandi is: How we do it in an  
2 effective way and an acceptable way? I am not able to spell  
3 out now. But I am certain in my mind that we have to get  
4 the input of people who have experience and have acquired  
5 knowledge over a lifetime, or a lifetime's worth of  
6 knowledge, in the psychology and the political composition  
7 and the other things that result in the kind of conduct and  
8 the kind of thinking that prevails in public policy in those  
9 countries.

10      I think that there are scholars, Middle Eastern  
11 scholars who have been brought in by people who wanted to  
12 get a better understanding of the turmoil, the political  
13 changes in Iran, who really had a great deal more insight  
14 than some of the people we've been able to bring into the  
15 intelligence community who have had to undertake these  
16 responsibilities in some cases without the language ability  
17 and without even having been in the countries.

18      Now, we're going to have to make compromises as we go  
19 along, but we have to be very vigorous, very alert in  
20 supplementing and really bringing back people who have  
21 greater experience, to serve as a base for training and  
22 developing new analysts in the community. I think we have  
23 to reach in every way we can to overcome those deficits.

24      Senator Lugar. I know it is unfair to ask for a  
25 fullblown plan today of how this is to be done. The purpose

1 of my asking the question is to highlight in this hearing  
2 what I see to be a critical problem in your effectiveness,  
3 because I think you will have to determine, and you have in  
4 your other capacities in life, what kind of style of  
5 leadership you personally will offer as well as what you  
6 will ask of various of your subordinates, if you will not be  
7 up front in these situations.

8 In other words, it seems to me, even after we have the  
9 objective of trying to get the very best of scholars, to  
10 attract young people, to turn around American public  
11 opinion, that calls for enormous advocacy, really, a sense  
12 of drama that clearly has not been present. And you may  
13 wish to do that or maybe others will help, maybe, in this  
14 committee.

15 But somehow, it seems to me that we've been wrestling,  
16 for example, in the committee with the problem of how we  
17 would verify the SALT II Treaty, if we had gone that route,  
18 or how we should verify SALT III. It may be absolutely  
19 critical in terms of the life and death of people in this  
20 country that those skills be focused and, furthermore, that  
21 we use our very best imagination anywhere -- and there are  
22 225 million of us -- to figure out what to do. And it would  
23 be an alarming problem if we don't get the people and,  
24 secondly, the American public doesn't appreciate why it was  
25 necessary to devote that time and effort to it.

1       Or, in the case of Iran, when we think of all of the  
2       turmoil and the trauma of our country over that, it is too  
3       late then to wonder why there weren't people who understood  
4       the language, the Moslem culture, all the rest of it,  
5       although at this particular juncture, certainly, you could  
6       point out how critical that might have been in terms of  
7       decisions we would have made or deployments we might have  
8       done to have saved the grief that has afflicted our  
9       country.

10       I know these are points well known to you, but I did  
11       want to take the opportunity of this confirmation hearing  
12       simply to make them again, because I think they are the  
13       essence in the success of our intelligence picture.

14       Mr. Casey. I think it's interesting, going back over  
15       sort of a recent history, you find that the big leaps in  
16       improving our collection capability came from the thinking  
17       that someone like Jim Land, the president of Polaroid,  
18       brought to the PFIAB, and Bill Baker, the leading scientist  
19       at Western Electric brought to the whole business of  
20       electronics and communications intelligence.

21       So you've got to reach out. You've got to reach out.  
22       I think I did that very successfully with the SEC, as I said  
23       in my opening statement, in bringing in a lot of people from  
24       the industry who just had insights and a feel for the way  
25       things actually work that you just don't get if you spend

1 your life trying to regulate in a distant way. You've got  
2 to be involved to know how things work and how the problems  
3 are and how they could be made to work better.

4 And I think there are huge areas in scientific and  
5 technical requirements as well as in the political and  
6 economic activities of the intelligence community in which  
7 we have to be more vigorous and aggressive in reaching out  
8 to the private sector.

9 Senator Lugar. Thank you very much.

10 The Chairman. Senator Wallop.

11 Senator Wallop. Yes, Mr. Chairman. I just thought we  
12 would go down to Senator Biden for a question.

13 The Chairman. Well, we have two on this side and two  
14 on that side.

15 Senator Wallop. Fair enough.

16 The Chairman. Let him sit down there. He's better off  
17 here than at the other hearing.

18 Senator Biden. I will leave now, Mr. Chairman, if you  
19 like.

20 Senator Wallop. Mr. Casey, pursuing a little bit the  
21 line of questioning that Senator Lugar was just one, I think  
22 it's fair to say that the American public does not have an  
23 adequate recognition of the nation's need for a viable and  
24 strong intelligence community. They recognize it when  
25 things go wrong, a rescue mission in Iran that failed,

1 perception of intentions in Afghanistan, or something else.  
2 But overall and from day to day, we are constantly under the  
3 stress of people who would have us believe that this country  
4 can operate without such a mechanism, that to go back to the  
5 old English problem that gentlemen don't read other  
6 gentlemen's mail, that somehow or another it is an anathema  
7 in a free society.

8 And now you have corporations in this country and other  
9 institutional groups within this country who are asking in  
10 charter legislation to be removed from even consideration  
11 for participation in America's need for an adequate  
12 intelligence structure.

13 How do you view that? Is there something we can do or  
14 something you would hope to do in your brain as DCIA?

15 Mr. Casey. Well, you know, I think that there was a  
16 time when the American public did have high respect and did  
17 recognize the value of our intelligence service. I think it  
18 still does down deep. I think what has happened is that the  
19 surface perception has been modified by the charges that the  
20 CIA and other organizations have become rogue elephants and  
21 that you had to focus on reining it in and monitoring and  
22 regulating and controlling it.

23 I think that that perception -- I hope that perception  
24 has changed. I think that a good job has been done in that  
25 regard. Maybe it went a little further than it needed to.

1 but we can continue to evaluate that. I think we have to  
2 restore the perception that the American intelligence  
3 community has really the largest and, I think, one of the  
4 finest scholarly communities in the world. There are more  
5 people with advanced degrees there than there are, I  
6 believe, in any university or any other institution  
7 worldwide.

8 And I think we can do a lot to enhance that perception  
9 and take the focus off the alleged misdeeds that go well  
10 back into the past, and maintain the perception that I think  
11 now exists that there is a better degree of congressional  
12 oversight, that there is cooperation between the Congress  
13 representing the people and the intelligence community  
14 discharging its obligation and performing its task.

15 And I think that as we improve and get the kind of  
16 support that is needed from the rest of the community -- the  
17 business community, the academic community -- to overcome  
18 some of the deficiencies that Senator Lugar has highlighted,  
19 I think there will be a restoration of mutual trust and  
20 confidence between the intelligence community and the rest  
21 of the American business and academic community. I think  
22 all that will help.

23 Senator Wallop. That's really true, I guess. I mean,  
24 any such organization within a free society will have a  
25 difficult time, because, obviously, your successes remain

1 relatively unknown and your failures are literally the only  
2 thing that ever reaches public attention.

3 Somehow or another, it seems to me that we have to do  
4 something nationwide that raises the perception of the value  
5 that this has in contributing to national security. I mean,  
6 we simply cannot exist as a country without a capable  
7 intelligence community.

8 Mr. Casey. Well, I think that there could perhaps be a  
9 wider perception and understanding of the magnitude of the  
10 intelligence activity that's carried on here and worldwide  
11 by our major adversaries.

12 Senator Wallop. Well, I think, for instance, many  
13 people don't recognize the other kinds of services that are  
14 involved. I note your speech in here on law, intelligence,  
15 and national security workshop on the economic intelligence  
16 and some of the major failures that have been going on in  
17 there. And surely, that's a matter of concern to anybody in  
18 a country whose major economic capability to compete within  
19 its own market is declining.

20 Maybe those are areas that we ought to address in the  
21 public perception of what an intelligence community does,  
22 that it's not only government-to-government combat and  
23 scurrilous alleys in the cities of the world, but these are  
24 the requirements of a mature nation to exist and to compete  
25 in the world.

1       Would you agree with that generally?

2       Mr. Casey. Yes, I do. And I might elaborate a little  
3 further. This has become an increasingly competitive world,  
4 and, you know, unless we can compete more effectively in  
5 things like autos and steel and new energy sources which are  
6 vital to defense, you can't have tanks, planes, or any other  
7 kind of industrial mobilization capability without strong  
8 strength in these critical industries. And we've been  
9 losing. And I think that why we're losing and what needs to  
10 be done, the kind of competitive abilities that's permitted  
11 other nations to take these markets away is a legitimate  
12 object of intelligence.

13       I think, also -- and I took a particular interest in  
14 this when I was on the PFIAB -- that we should know a more  
15 precise measure of the degree to which the kind of financial  
16 and trade and economic aid we've provided to some of our  
17 adversaries has permitted them to put a heavier  
18 concentration of their output and their manpower into  
19 building up the military machine which, in turn, forces us  
20 to match them, and it really sucks substance out of the  
21 economy and the ability to maintain and increase the public  
22 living standard.

23       So there is a correlation between the economic and the  
24 military. I think it's something that needs to be stressed  
25 more clearly and forcibly.

1 Senator Wallop. Well, in line with that, would you  
2 anticipate a more active and forceful role of the DCI with  
3 regards to technology transfer?

4 Mr. Casey. Well, I really can't -- I wouldn't want to  
5 say that it would be more forceful or active, because I  
6 don't know quite how it is, how it functions, and how it  
7 does relate to the responsibilities --

8 Senator Wallop. But you would have no hesitation in  
9 expressing the real reservations of the community about the  
10 transfer of given technologies that perhaps has not been  
11 viewed from the perspective of the community, would it?

12 Mr. Casey. Well, there certainly have been transfers  
13 of technology which I haven't approved of. Now, whether  
14 that responsibility can be put -- or the degree to which  
15 that responsibility can be put on the community, I really  
16 don't know. This is decided at -- I have been involved in  
17 it at the State Department -- this is decided at an  
18 interdepartmental level, and the Department of Defense is  
19 usually on one side and State and Commerce and others are on  
20 the other side.

21 And I don't know the degree to which the intelligence  
22 input is counted or is important now. But I think it should  
23 be, and I would seek to see that it is.

24 Senator Wallop. Thank you, Mr. Chairman.

25 The Chairman. Senator Biden.

1 Senator Biden. Thank you very much, Mr. Chairman.  
2 Mr. Casey, you come to this task in many ways better  
3 prepared than anyone in my eight years' experience on this  
4 committee. I shall begin by complimenting you on your  
5 statement. I think it was a very good statement. But there  
6 a few things I would like to pursue with you, if I may.

7 It seems, as I said, in my limited experience here in  
8 the Senate, that most times the personal relationship of an  
9 individual officeholder to the President has more impact  
10 upon the formulation of policy than the institutional  
11 relationship that person might have.

12 To be more specific, we have seen, to my chagrin, where  
13 a less important job of national security adviser, then the  
14 job of secretary of state, the degree of the personal  
15 relationship impacts policy more than the degree of the  
16 institutional relationship. And you are a very close friend  
17 of the President of the United States of America. You have  
18 been his friend for some time, as I understand it. You were  
19 a chairman of his campaign. And all of us, being political  
20 animals, know very well that that is a relationship, if it  
21 lasts, which is one that is the closest of all. You've been  
22 there when he's been way down; you've had to figure out how  
23 to buoy him up. You've had to impact on when he's way up  
24 and pulling him down. And consequently, you have a very  
25 close personal relationship.

1        So I would suspect that your role, a very important  
2    role, as DCI, coupled with your personal friendship, you may  
3    have more personal impact upon policy than other DCIs have  
4    had -- we haven't had DCIs very long -- other heads of CIA  
5    have had, not only in terms of impacting on policies as they  
6    relate to the intelligence community, but also impacting on  
7    policy as it relates to a broader range of foreign-policy  
8    options.

9        You cited one, transfer of technology. There is a  
10    raging debate, has been for some years, as to whether or not  
11    our allowing the Soviets to be in a better position to meet  
12    their economic needs is beneficial or detrimental to our  
13    interests.

14       The prevailing school of thought, I think, in past  
15    Republican -- recent past -- Republican administrations and  
16    Democratic administrations has been we're better off if they  
17    are economically better off; our national interests are  
18    better off. And you express a view that at least indicates  
19    you may have a different perspective on that issue than is  
20    the prevailing view.

21       Now, I am very curious that, in light of the fact that  
22    you have not only been a producer but a consumer of  
23    intelligence material from your days in the OSS straight  
24    through to you're a member of the Advisory Committee on U.S.  
25    Arms Control, Export-Import Bank, undersecretary for

1 economic affairs, and you've also been in an advisory  
2 capacity as an outsider looking at the agency. You have  
3 been on the Murphy Commission; you have been on President  
4 Ford's Foreign Intelligence Advisory Board. And you  
5 mentioned a new board or commission that you are on and have  
6 been in the last couple of months relating to the  
7 intelligence community and foreign policy in the Reagan  
8 administration.

9 So if anyone should be prepared to answer questions as  
10 it relates to his personal views as to the makeup of the  
11 community, I would think you are more qualified than anyone  
12 we have ever had before us.

13 Now, it's in light of your background and your  
14 relationship to the President that I ask some of the  
15 following questions.

16 I would like to first begin by asking you what has  
17 become sort of a -- it's not a very high-sounding phrase,  
18 but reporters will come up to me and all of us up here, and  
19 say, "Well, what report card would you give so-and-so or  
20 such-and-such an institution?" And unfortunately, the last  
21 administration, in a sense, institutionally codified that  
22 phrase "report card."

23 So I am going to ask you, since you've obviously had an  
24 opportunity to view inside, outside, and around this  
25 committee, this intelligence committee, what report card

1 would you give us -- not as individuals, but as a committee  
2 -- in keeping the secrets, keeping the faith, so to speak?  
3 How good have we been at that?

4 You clearly have looked at it. You've investigated  
5 it. You have an opinion about it. And it would be very  
6 helpful to me and, I hope, to some of us, to have you share  
7 that view.

8 Mr. Casey. Well, you know, I don't like to disagree  
9 with your, Senator, but the truth is I thought I'd let this  
10 committee investigate me before I undertook to investigate  
11 it. So I really don't know more than I can pick up in the  
12 newspapers, and my general impression is that the committees  
13 of the Congress have performed well in maintaining security  
14 and maintaining the confidences that have been placed in  
15 them.

16 I don't know. I can't think offhand of any significant  
17 transgression in that respect on the part of this  
18 committee.

19 Senator Biden. Well, it's not an idle question, and I  
20 am not looking for you to compliment or insult this  
21 committee just for the sake of hearing the compliment or the  
22 insult. But there is a raging debate going on that the  
23 Congress as a whole and this committee in particular should  
24 not have access to certain documents and information.

25 The Heritage Foundation, which has been referred to,

1 members of what would be referred to as the "political  
2 right," who are on the transition team, who are part of the  
3 base from which the President-elect was nominated and  
4 elected President, have been arguing for some months and  
5 years that this committee should in fact not really exist.

6 We have tended to counter by saying, "The leaks ain't  
7 coming from here, old buddy. They've been coming from other  
8 places." Yet, I think the public perception, I think it's  
9 important that I get you to respond in terms of how I view  
10 whether or not you will be forthcoming with this committee  
11 -- and I am only one vote -- the public perception has been  
12 built that somehow the Congress is not capable, and this  
13 committee in particular is not worthy, of being privy to the  
14 most important -- all -- the secrets of the nation.

15 And I am very interested to know what your view is. If  
16 you have a different view than that, I would like to know  
17 that.

18 Mr. Casey. Well, it seems to me that that issue has  
19 raised, and it has been debated, and there have been reasons  
20 to be concerned about the leaks that came from various  
21 congressional committees. But I think that has been  
22 resolved in the Oversight Act of 1981.

23 I think the general perception is that the public and,  
24 I think, most observers believe that a working consultative  
25 relationship between the appropriate congressional

1 committees and the intelligence community can be beneficial  
2 and that a sharing of information to facilitate that  
3 consultative relationship and to permit the Congress to  
4 discharge its oversight responsibilities is acceptable and  
5 is a way of life under which we're going to conduct  
6 ourselves.

7 Senator Biden. In your experience, do more leaks come  
8 from this committee and the Congress or from the Defense  
9 Department?

10 Mr. Casey. I really have trouble answering that. I  
11 think there were some leaks from the Defense Department of  
12 which I was very critical during the campaign that seemed to  
13 be deliberate leaks for political purposes, and it was so  
14 charged. I haven't seen anything of that kind. I would be  
15 shocked if any of that kind did come from this committee,  
16 and I don't in any way expect it.

17 So I would have to give this committee a better report  
18 card right here than the Defense Department.

19 Senator Biden. I appreciate that.

20 Senator Jackson suggests -- and I agree -- but I guess  
21 I am getting in the wrong area. I got a note that says,.  
22 "Time." My last note would be, "Pull the microphone closer  
23 so Senator Jackson and I can hear your responses."

24 Thank you very much. I will be back for more  
25 questions.

1       Mr. Casey. I have it in my lap now.

2       Senator Jackson. Thank you, Mr. Chairman. I would  
3 like to ask unanimous consent to include at the outset a  
4 brief opening statement. I didn't want to take the time of  
5 the committee.

6       The Chairman. Without objection.

7       (The complete statement follows.)

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1 Senator Jackson. Mr. Casey, I have been following  
2 intelligence matters for the last 30 years up here. And we  
3 go round and round, and in the last analysis we get back to  
4 analysis. It's a people problem. I have observed that our  
5 ability to collect, thanks to modern science and technology,  
6 is improved enormously. Would you agree?

7 Mr. Casey. Yes, I do.

8 Senator Jackson. Yet, there are, I know, without  
9 getting into it here in this open session, where an  
10 important country's scholar has provided more accurate  
11 analysis without access to any classified information, and  
12 were able to predict quite accurately what did happen.

13 And I just want to say amen to a very fine statement  
14 that you made here in the opening remarks. And I think  
15 everyone ought to read and the country ought to take to  
16 heart your statement on page 5 when you said, "We should  
17 call on young Americans to serve their country in the field  
18 of intelligence. We should ask American scholars to serve  
19 their country by sharing scholarship and insights with those  
20 in the community who are responsible for preparing the  
21 intelligence analyses used to develop foreign policy and  
22 defense strategy."

23 I think the tragedy in this country is that  
24 "intelligence" has become a dirty word. And the truth is in  
25 the Battle of Britain it was the dons, as you know, from

1 Cambridge and Oxford that played such a critical role of  
2 analysis, including the breaking of the codes.

3 We just, with all our might and all our power, need to  
4 have our young people understand that there is no greater  
5 calling than to go into the intelligence field, which needs  
6 the disciplines that are offered by our schools -- all of  
7 them. There is virtually no discipline, would you agree,  
8 that's not involved --

9 Mr. Casey. That's correct.

10 Senator Jackson. -- in the need to analyze the  
11 information?

12 We get all this information out on the table, and then  
13 we always ask, "What does it mean?" And it is in this area,  
14 I think, where the great building needs to take place.  
15 These are things that we should talk about publicly and need  
16 to reiterate it over and over again. And this country does  
17 have the scholars.

18 I think when one asks right now of the State  
19 Department, "Who is your expert on China, on the Soviet  
20 Union," then you get a blank. I find that I get some of my  
21 best scholarly input outside the United States. The days of  
22 the Chip Bolen and the Tommy Thompsons was a sort of a  
23 golden era in foreign policy and foreign relations. And I  
24 just think we can do better. And I, having worked with you  
25 here these last few weeks on President-elect's -- I don't

1 recall the exact title --

2 Mr. Casey. It's IFBAM, Senator.

3 Senator Jackson. Well, we keep changing it. But  
4 anyway, it's foreign policy assessment.

5 Mr. Casey. Board.

6 Senator Jackson. And which I want to commend you unto  
7 my colleagues that Mr. Casey has been a masterful chairman,  
8 and we're looking at the whole world with all its problems.

9 It seems to me that one of the most important things  
10 the new administration can do is to really carry on a  
11 crusade to enlighten our people, to understand -- and  
12 especially the young, yes, and the professors as well -- of  
13 the importance of a good intelligence organization. Not for  
14 war, but for peace. Wars can be prevented if we have an  
15 accurate assessment of what's going on. And it can be one  
16 of our most formidable tools in achieving peace.

17 So I don't know how you do it in detail. I think  
18 you've indicated you don't have an immediate prescription.  
19 Is that right?

20 Mr. Casey. Well, I don't think there is, I mean, total  
21 prescription. I think you just have to work at it and reach  
22 out and bring in and bring in all the talent and all the  
23 scholars and all the expertise and experience you can.

24 I think also, Senator, if I might just say a couple of  
25 things that your comments have raised in my mind, I think

1 the idea there is any one best scholar is a fallacy. You  
2 know, one fellow is right at one stage, and then someone  
3 over here who has it at another stage. You've got to reach  
4 out and get a range of opinions.

5 I think the process of doing a lot of negotiating to  
6 get an estimate and get that estimate expressed in words  
7 that are agreed upon and negotiated is frequently  
8 misleading, because the policymaker, the fellow who has to  
9 make a decision, he doesn't know what exactly he's going to  
10 be faced with, he doesn't know whether that estimate is  
11 going to be right or wrong. So if he's doing his job, he's  
12 got to prepare and adapt to meet a range of possibilities.  
13 And so he's got to get the range of opinions and range of  
14 possibilities and get them properly analyzed and properly  
15 reflected and presented.

16 Senator Jackson. I would agree with you. The need for  
17 dissent, the need to be able to advocate extremely unpopular  
18 points of view within the intelligence community is  
19 absolutely essential.

20 As I look back 30 years, I would say that the greatest  
21 single intelligence failure and diplomatic failure of our  
22 country in this century is the failure to understand China.  
23 The idea that somehow China was Russian because they're  
24 communist. The hardest vote I cast was to vote for Tito in  
25 1948 in the House, after having shot down three American

1 planes three months earlier. And yet, we know that we  
2 created and supported a heretic in the communist church and  
3 it's caused them no end of trouble since.

4 And I do believe that the need for dissent and to be  
5 able to voice those unpopular views within the intelligence  
6 community is vital. And I think of China, in particular, as  
7 a classic example of the failure of American intelligence.

8 Well, I guess I was the witness, Mr. Chairman.

9 Thank you very much.

10 I want to commend the President-elect for your  
11 appointment. Not only have you had the experience, but I  
12 think you've got the savvy.

13 Mr. Casey. Thank you, Senator.

14 The Chairman. Thank you, Senator Jackson.

15 I find myself in complete agreement with the statement  
16 by Senator Jackson.

17 I have just a couple for you, Mr. Casey. Are you  
18 giving any thought to an assistant?

19 Mr. Casey. A lot of thought, yes.

20 The Chairman. I think I would be correct in informing  
21 you that Admiral Robert Inman is held in very, very high  
22 regard by this committee, in fact by every intelligence  
23 person I know around this world. And we, I think, again  
24 speaking for the committee, do not want to see just some  
25 political person sent over here to be your assistant. I

1 don't think you need much assistance, but I think Admiral  
2 Inman would be a great addition to your staff if you could  
3 see a way to put him on it.

4 Mr. Casey. I hope he can see his way to come. I have,  
5 I think, Senator, a great need for assistance, and the most  
6 experienced and professional assistants that can be found,  
7 because, as you know, this job, you wear a lot of hats.  
8 You've got the community to worry about, you've got the  
9 agency, you've got the estimates, you've got the  
10 consultation with the consumers, the White House, the  
11 National Security Council.

12 So I am looking for experience and talent so I can have  
13 the support to properly do the things that we have been  
14 talking about this morning.

15 The Chairman. I raise the point because I read in the  
16 paper that there were quite a few others being considered  
17 for your assistant, and I never heard a word of any of  
18 them. And we know Bobby Inman.

19 Mr. Casey. I didn't see that list. I will have to get  
20 that list. Maybe some of them might be good.

21 The Chairman. Well, I won't even tell you where I saw  
22 it.

23 Now, one other thing, Mr. Chairman. It's been  
24 mentioned time and again here, but I think one of the  
25 greatest weaknesses that we suffer is in our overseas work.

1 And I think this came about through the wrong activity of  
2 the Church committee and other committees of Congress which  
3 has directed assault on the intelligence family to the point  
4 that I find in traveling that the overseas offices are  
5 afraid to engage in covert activity without first thoroughly  
6 discussing it with the home office for fear that their  
7 futures will be jeopardized.

8 Now, I don't want you to explain in detail what your  
9 feelings are about it, but I think I speak for many people  
10 interested in the profession that if we don't have overseas  
11 offices free to act covertly without going back home, we're  
12 going to get in the same kind of a fix we were in in Vietnam  
13 when pilots couldn't attack targets of opportunity.

14 So I wish you would give that your thorough thought.  
15 And if you would like to talk to the committee further about  
16 it, I know the committee would be very happy to talk with  
17 you.

18 Mr. Casey. Thank you.

19 The Chairman. Now, I may ask the committee -- it's  
20 coming up 12:00 o'clock, and we don't want a recess -- do  
21 any of you have any other questions?

22 My second-in-command here has a question.

23 Senator Moynihan. Well, if I may, Mr. Chairman, an  
24 observation, I think, first to suggest what the chairman has  
25 said about Admiral Inman I cannot but think is the

1 near-to-unanimous view of this committee. And certainly, it  
2 would be mine and you are making it your choice. And you and  
3 the President will make it.

4 I wondered if I could make an observation about Senator  
5 Biden's remarks, because I think that they could have been  
6 misinterpreted when he said, "Do you think that there has  
7 been more leaking from the Defense Department than from this  
8 committee?" That's sort of comparing Niagara Falls to an  
9 old tin roof, you know. But we don't ask you to make that  
10 judgment until you've had experience.

11 But I wonder if it wouldn't be inappropriate for me to  
12 say if the time comes when you think that anything serious  
13 has been compromised by virtue of information given this  
14 committee, I would hope you would say so. I hope you tell  
15 us. And if you feel so, tell the nation. We're not immune  
16 from your criticism. We have been very vigilant, I think.  
17 But if we have not been successful and it's your judgment  
18 that we haven't been, you tell us, because this matters.

19 Mr. Casey. You can be sure I won't be bashful about  
20 that, Senator.

21 Senator Moynihan. No, I mean really. But I would like  
22 to just ask one question to bring us home for just a  
23 minute. And that is to say, have you given any thought to  
24 how we can improve our counterintelligence activities? We  
25 have been concerned with this. We observed what appears to

1 be widespread Soviet interception of American telephone  
2 communications. We saw some very -- some phenomenally  
3 successful espionage in the Boyce-Lee affair in California  
4 and the Campillas affair. And then we saw Mr. Boyce escape  
5 from prison, and it turns out -- you may not know this; I  
6 certainly didn't -- that when you escape from a federal  
7 prison you are pursued by federal marshals, which is to say  
8 when you escape from federal prison you are free.

9 (Laughter.)

10 Senator Moynihan. And if you don't know it and I don't  
11 know it -- and Mr. Boyce obviously knows it because he now  
12 gives interviews with the New York Times about what it's  
13 like, how he visited Mexico, he's going to Canada, he's here  
14 in the Rocky Mountains here for the moment, the skiing is  
15 good, say "Hello" to the folks.

16 Counterintelligence is a question, is it not, sir? I  
17 think there is a demonstrable increase in Soviet activity  
18 and block activity. And that may require some  
19 reorganization. I just put that to you as something the  
20 committee is concerned about without having fixed views. .

21 Mr. Casey. Well, I am very concerned about that. That  
22 relates to the question of security that's been raised,  
23 leaks that has been raised. And also, the danger that  
24 someone is successful in operations that have been conducted  
25 by our adversaries can deceive us and mislead us at enormous

1 cost and enormous risk.

2 So I don't know exactly what needs to be done. With  
3 respect to strengthening our counterintelligence capability,  
4 I have understood that it had been severely diminished, loss  
5 of experienced people and that kind of thing. And it's  
6 certainly, Senator, one of the first things we have to try  
7 to rebuild.

8 Senator Moynihan. I thank you.

9 The Chairman. Senator Huddleston.

10 Senator Huddleston. Mr. Casey, I too want to commend  
11 your opening statement. I found it reassuring. And my  
12 study of your resume indicates to me you are not only a man  
13 of your word but a man with the resourcefulness, ingenuity,  
14 and personal resolve to carry out your objectives.

15 We've been talking, and there's some question raised  
16 about the perception that people have of intelligence and  
17 the need for intelligence operations. I would suggest that  
18 a part of that is the fact that a delineation has not been  
19 made, and the press doesn't make a very good delineation  
20 between intelligence-gathering or information-gathering and  
21 covert action, which our chairman has discussed a minute  
22 ago. I don't think anybody -- certainly nobody I come into  
23 contact with; maybe my folks in Kentucky are smarter than  
24 others -- have any concern at all about having the greatest  
25 informational gathering and analysis operation that you can

1 possibly have.

2 I don't think we get into any trouble gathering  
3 information in the world, even though we do it in a secret  
4 way and we do it in all kinds of ways, because everybody  
5 expects -- by that I mean every country expects -- every  
6 other country to engage in gathering information. A lot of  
7 that gathering is a very unglamorous and unintriguing and  
8 undangerous. It's just reading newspapers and listening to  
9 radios and trying to pick up scuttlebutt at embassy  
10 parties. And all other degrees, too, of course.

11 But covert action is a different thing. We know it's  
12 anything from putting a news article in a foreign press to  
13 planning an assassination to carrying out a full-scale war.  
14 And it ought to be treated differently, I think. And I  
15 think when you lump all these kinds of activities in just  
16 the term "intelligence," you're not really getting at the  
17 problems that we're confronted with.

18 Every committee I have been on in the Congress has  
19 concluded that we ought to have covert action in certain  
20 circumstances. And the executive orders provide for it.  
21 And indeed, it does go on and continues to go on.

22 You were a member of the Murphy Commission, as has been  
23 indicated already, which was the Commission on the  
24 Organization of the Government for the Conduct of Foreign  
25 Policy. I think it concluded its work about 1976. And it

1 had in its findings and recommendations sections dealing  
2 with intelligence, and particularly with covert action. I  
3 would like to quote from it, if I might just briefly:

4       "Many dangers are associated with covert action. But  
5 we must live in the world we find, not the world we might  
6 wish. Our adversaries deny themselves no form of action  
7 that might advance their interests or undercut ours. In  
8 many parts of the world, a prohibition on our use of covert  
9 action would put the United States and those who rely on it  
10 at a dangerous disadvantage. Covert action should not be  
11 abandoned but should be employed only when such action is  
12 clearly essential to vital U.S. purposes and only then after  
13 careful high-level review.

14       "Covert action should be authorized only after  
15 collective considerations of their benefits and risks by all  
16 available 40 committee members. In addition, covert acts  
17 should be reported to the proposed joint committee of the  
18 Congress on national security or to some other appropriate  
19 congressional committee."

20       I would just inquire if you subscribed to those  
21 statements at the time the report was issued and whether you  
22 do at the present time?

23       Mr. Casey. Yes, Senator, I did subscribe to that  
24 recommendation. And it generally reflects my views today.

25       Senator Huddleston. And one other statement that was

1 made by that report, "A new era of cooperation between the  
2 executive and congressional branches in foreign relations is  
3 vital to the security of our nation and the peace of the  
4 world." And you subscribed to that, then?

5 Mr. Casey. Amen. Yes.

6 Senator Huddleston. That's all I have, Mr. Chairman.

7 The Chairman. Senator Biden, did you have anything?

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1 Senator Biden. Mr. Murphy, these hearings are  
2 difficult -- I beg your pardon, Mr. Casey. You can call me  
3 "Bidden."

4 (Laughter.)

5 Senator Biden. Mr. Casey, I realize these hearings are  
6 difficult in the sense that we are seeking to get a sense of  
7 how you are going to run an agency. And we ask specific  
8 questions and you in turn, in order to keep your options  
9 open, as you should, must give general answers.

10 But you gave an answer to the last question of Senator  
11 Huddleston when he quoted from the Murphy Commission and you  
12 said, that generally reflects my view. Can you give us an  
13 exception to that general rule?

14 Mr. Casey. Well, what I had in mind when I inserted  
15 the word "generally" -- I do not know if I can exactly quote  
16 the paragraph -- was the condition there that covert action  
17 should be used only when it is of the greatest importance.  
18 Now, I believe there has been a kind of redefinition. It  
19 has become a word of art and there has been included in the  
20 concept of covert action, as I understand it, either by  
21 regulation or law or in some way, a specified range of  
22 things, some of which are not of the greatest importance. I  
23 would not want to exclude them, and that is the only reason  
24 I put in the word "generally."

25 There are some things, now, I think when we are

1 thinking about strong covert action when you try to  
2 intervene in the internal affairs or to influence an  
3 election, as we did in Italy in 1948, I think that kind of  
4 thing you only do when it is of the highest interest to the  
5 United States and when the President and the appropriate  
6 authorities perceive it to be.

7 Now, there are other things of a lesser nature which  
8 have now been included in the concept of covert that I do  
9 not think we had in mind in framing that language.

10 Senator Biden. Can you give me an example of one of  
11 those things, as you did with the situation in Italy?

12 Mr. Casey. I do not think I should in open session. I  
13 would be glad to give you an example privately, as I think I  
14 did when we talked the other day, involving a minor  
15 journalistic effort.

16 Senator Biden. Well, the reason why I followed it up  
17 is, as you can tell from various comments on this Committee,  
18 there is at least a slight difference in perception of what  
19 the degree of accountability is that should exist. And as I  
20 understand and read and read the Murphy Commission report,  
21 really what we are talking about is accountability,  
22 accountability of the agency.

23 I thought that the thrust of whether or not the  
24 Congressional Committee exceeded what it should have, the  
25 whole thrust of the Congress' involvement in investigating

1 the intelligence community was, the conclusion reached, one  
2 of the conclusions reached, was that most times when the  
3 Agency or individuals in the Agency got themselves in  
4 trouble it was because there was not anybody accountable.  
5 There was not anyone who you looked to. There was not one  
6 person who banged the gavel and said yes or no.

7 That was one of the major reasons why the Congress, in  
8 conjunction with the Executive branch , one of the  
9 conclusions reached, was that most times when the Agency or  
10 individuals in the Agency got themselves in trouble it was  
11 because there was not anybody accountable. There was not  
12 anyone who you looked to. There was not one person who  
13 banged the gavel and said yes or no.

14 That was one of the major reasons why the Congress, in  
15 conjunction with the Executive Branch, in effect created the  
16 job you are now being questioned about, that is, the DCI.  
17 It was accountability.

18 And your experience goes back a long way, my  
19 understanding is as far back as the inception of  
20 intelligence operations in this country. It sort of grew  
21 out of Pearl Harbor, when a commission was set up to  
22 investigate, why did we not know. Then from there there  
23 were a number of occurrences that went on.

24 But it would seem to me that if we looked over the  
25 history of the past 40 years, accountability has

1 significantly improved the efficiency of the Agency, not  
2 only the efficiency but the effectiveness of our  
3 intelligence operation. There seems to be a school of  
4 thought out there that that accountability is somehow  
5 inhibiting the Agency.

6 As a matter of fact, it is interesting to note that an  
7 internal Nixon Administration study of the intelligence  
8 community conducted in '71, four years prior to the  
9 so-called Truth Committee, concluded, quote: "The  
10 operations of the intelligence community have produced two  
11 disturbing phenomenon. First is an impressive rise in size  
12 and costs. Second is an apparent inability to achieve  
13 commensurate improvement in the scope and overall quality of  
14 intelligence products." End of quote.

15 And throughout our career as a Committee -- I have been  
16 on this Committee since its inception -- we have striven, I  
17 think it is fair to say, to improve the intelligence  
18 community. And the point I guess I am trying to make is one  
19 in which I would be interested to know your views, is that,  
20 rather than leasing or destroying or dismantling the  
21 intelligence community, the Congressional Oversight  
22 Committee has not interfered with its effectiveness and in  
23 fact has positively impacted on its activities.

24 And I wonder if you can give us your view on the view  
25 that I just stated?

1       Mr. Casey. I think that the relationship between the  
2 community, its leaders and this Committee should not retard,  
3 or I do not see how it would retard, and can only improve by  
4 infusing new ideas and demanding higher standards of  
5 performance.

6       Having said that, I would like also to supplement it by  
7 saying I think that there is a potential built-in conflict  
8 between performance and accountability, which can be  
9 handled. Senator Goldwater properly stressed the potential  
10 danger of requiring examination and approval of everything  
11 that is done in a far-flung operation of anything that the  
12 United States Government is involved in has a danger of  
13 impairing initiative and making it impossible to do things  
14 that are important and beneficial, but need to be done now.

15       There are targets of opportunity. I think the way you  
16 have to handle those dilemmas is establishing workable  
17 guidelines within which your people can function and operate  
18 within standards that are acceptable. Then if something is  
19 done that exceeds those guidelines, then you have got to  
20 deal with that. You have got to know about it, you have to  
21 get it reported on, and you report on it.

22       But I think there is a point at which rigid  
23 accountability, detailed accountability can impair  
24 performance, and I think that that should be recognized.

25       Senator Biden. Do you make a distinction between

1      covert and clandestine activities?

2            Mr. Casey. I have not thought about it, but I  
3      understand the two words differently. Covert primarily  
4      brings to my mind unacknowledgment --

5            Senator Biden. I beg your pardon?

6            Mr. Casey. Non-acknowledgeability. Clandestine  
7      activity is one that is secret, that is not necessarily  
8      non-acknowledgeable.

9            Senator Biden. The way in which I think we have tended  
10     to deal with it on this Committee -- I can make a  
11     hypothetical case. If we were eavesdropping on the planet  
12     Mars, the folks who live on Mars, and we planted a receiver  
13     in the president of the planet Mars' ready room, that would  
14     be a clandestine activity.

15            If in fact we planted a person in there who had as his  
16     objective the objective to do something to or about, to  
17     alter the action that the president of Mars was about to  
18     take, that would be a covert activity. That is generally  
19     how we treat it.

20            Mr. Casey. It might also be clandestine.

21            Senator Biden. It might also be clandestine. But the  
22     reason I raise it is not unimportant. We had a little bit  
23     of a fight -- at least I do not think it is unimportant.

24            We had a little bit of a dilemma with the last  
25     Administration as to whether or not a clandestine activity

1 which could have a great impact upon our foreign policy and  
2 whether or not we were dragged into or out of a conflict  
3 should be treated in the same way as a covert activity.

4 Everyone acknowledged we should be made aware, within  
5 the scope of the rules of the Committee, of any covert  
6 activity. But some suggested that they not require the  
7 Administration, if they were planting a bug in the president  
8 of Mars' ready room, that we should be aware of the fact  
9 that we had a clandestine operation under way.

10 And I am wondering whether or not you have a view as to  
11 our right to be aware of major consequential clandestine  
12 activities that the agency has underway or would have  
13 underway under your situation.

14 Mr. Casey. Well, my off the top of my head response to  
15 that is that a major, sensitive clandestine collection  
16 operation which could entail embarrassment or danger if it  
17 did not work is the kind of thing that ought to come to your  
18 attention. Other things that are more routine as a  
19 practical matter of doing business you would not expect to  
20 have brought to your attention unless something went wrong  
21 with them, and in this case you would expect to have it  
22 reported to you.

23 Senator Biden. My time is up. I will come back on the  
24 second round. Thank you -- or the third round.

25 The Chairman. Are there any other questions that other

1 members of the Committee would like to pose?

2 Senator Huddleston. Mr. Chairman, can I just make one  
3 short comment? I just did not want us to leave, in our  
4 eagerness to improve our intelligence operation and our  
5 analysis, and the perception that the American people have  
6 of our intelligence and that we have ourselves of our  
7 intelligence, without pointing out that intelligence  
8 gathering and analysis is not an exact science.

9 No matter how well we operate, no matter how efficient  
10 we get, no matter how good minds we get to apply to the  
11 problem, there will always be instances where we  
12 miscalculate, number one; and secondly, the best  
13 intelligence in the world is not going to keep situations  
14 from developing around some spots in the world adverse to  
15 the interests of the United States.

16 What happens so frequently, as I have seen it, every  
17 time something happens that is not to our interest, there is  
18 a great cry that there has been an intelligence failure,  
19 when in fact in many cases it has not been an intelligence  
20 failure at all.

21 So I think we have to keep in mind that we are not  
22 going to get to the point where we can control all of the  
23 events all over the world, regardless of how good our  
24 intelligence might be.

25 Senator Biden. Mr. Chairman, I do not know what the

1 Committee's plan is. I have, not in an effort to delay, at  
2 least 15 to 20 minutes more questions. And I will not ask  
3 the questions if anyone on the Committee thinks they are  
4 inappropriate as I frame them, and I will not pursue it.

5 But I would like to -- I know it seems like you are  
6 trying to work out a time problem here, and I have at least  
7 15 more minutes of questions that relate to substantive  
8 areas, not any fishing expedition.

9 The Chairman. There is a time problem. Would the  
10 Senator like to submit the questions in writing? Because I  
11 quote Rule 5.5: "The Committee vote on the confirmation  
12 shall not be sooner than 48 hours after the Committee has  
13 received transcripts of the confirmation hearing, unless the  
14 time limit is waived by unanimous consent of the  
15 Committee."

16 And it would be the Chairman's idea that within 48  
17 hours of this time we would poll the Committee to find out  
18 what vote they care to make. But many of us have hearings  
19 coming up shortly that we have to be prepared for and other  
20 commitments. So I suggest that submitting the questions in  
21 writing might be a more appropriate form.

22 Senator Biden. Mr. Chairman, I suspect it will take  
23 longer to answer them in writing and further delay our  
24 ability than if I just take the next 15 minutes and ask  
25 them. I give you my word, I have no intention of

1   objecting. I agree to any unanimous consent request.

2           We are now at 19 minutes after. How about if I agree  
3   to stop asking questions by 20 minutes of 1:00, and then if  
4   I have any left I will submit them, but I will not even  
5   attempt to submit them -- it will certainly take longer and  
6   take more of the Committee's time for me to submit them in  
7   writing and have them answered in writing.

8           The Chairman. You have until 25 minutes of 1:00. Go  
9   ahead.

10          Senator Biden. Thank you very much, Mr. Chairman.

11          By now I know, as they say in the South, I know how  
12   y'all felt being in the minority.

13          The Chairman. You will get used to it.

14          Senator Biden. I hope I can act responsibly.

15          Mr. Casey, back to the point I was making about the  
16   distinction between clandestine and covert. The reason I  
17   did that is that we have a law that covers them both, and I  
18   just wanted to know your view, rather than refer to the  
19   law.

20          The law that we have passed points out that there are  
21   different ways in which intelligence can be gathered. And  
22   we have in our legislative history, as I recollect our  
23   discussion of the law, the oversight provisions speak to,  
24   quote, "significant anticipated intelligence activities,"  
25   end quote. They include more than just covert operation.

1       Now, I want to make sure that I understand. Do you  
2 agree with that interpretation, the phrase "significant  
3 anticipated intelligence activity" includes more than merely  
4 covert activity?

5       Mr. Casey. Yes.

6       Senator Biden. Fine, thank you. Now, the legislative  
7 history -- well, I guess I pretty well covered that. In the  
8 interest of getting this finished up, I will try to go  
9 pretty quickly here.

10       You know, it was raised very forthrightly by Senator  
11 Moynihan, the issue of ITT and the letter received  
12 commending you on your chairmanship at that time and the  
13 manner in which you handled that issue. And we are all  
14 aware you have been confirmed twice since that whole thing  
15 came up by other Committees. My recollection is I voted for  
16 you on those occasions.

17       But I do think there is a distinction, a difference  
18 that is worth being made here, but not one that would impair  
19 your ability to have this job or my view of whether or not  
20 you should. But I think it is worth pointing out. And that  
21 is that the difference between Congressional oversight of  
22 the intelligence agency and the oversight of the SEC is  
23 that, A, with the exception of the FBI, the intelligence  
24 community does not have investigatory files for law  
25 enforcement purposes; and, B, there exists a statute

1 authrizing oversight Committees to be furnished all  
2 information, which we have already discussed.

3 Now, the debate usually surrounding prior Committee  
4 confirmations of you as it related to ITT surrounded whether  
5 or not you in any way impeded the pursuit of justice. And I  
6 think it is kind of hard to argue that you impeded the  
7 pursuit of justice when you gave the Justice Department the  
8 files.

9 But there is a different issue at issue here, and that  
10 is whether or not under similar circumstances, if this  
11 Committee was seeking to gain information which statutorily  
12 you would be required to give, whether or not you would do  
13 what was done there, and that is transfer those files to  
14 another agency, in this case the Justice Department, in  
15 order to prevent us or inhibit us from gaining access to  
16 those files.

17 Even though that would not be impeding a criminal  
18 prosecution in any way, it would be a direct attempt to  
19 delay the right of this Committee to have access to  
20 information. And I would assume from the way you have been  
21 so forthcoming that you would not countenance doing that;  
22 would you?

23 Mr. Casey. No, I could envision no circumstances under  
24 which that would come up. This was a special circumstance  
25 where I was chairing a Commission which had responsibilities

1 of an oversight nature to the Congress and responsibilities  
2 to protect potential criminal prosecution to the Justice  
3 Department, and those two obligations came in conflict.

4 It had been traditional practice and a long-standing  
5 practice of the Commission not to deliver information from  
6 open investigative files. What was done was an act of the  
7 whole Commission, voting unanimously.

8 Senator Biden. By the way, I for one do not question  
9 what you did there. I just wanted to make the point.

10 Mr. Casey. Well, I see no analogy at all, no common  
11 circumstance.

12 Senator Biden. Fine. Also, you know, the present  
13 executive order -- you indicated, at least I thought, there  
14 is no new order on the shelf ready to be pulled off. You  
15 haven't made your mind up about that.

16 But the present executive order required that illegal  
17 intelligence activities be reported to this Committee.  
18 Would you envisage any executive order that would not  
19 require that? I am informed that that is present law. I  
20 have Executive Order 12036. It may also be required in the  
21 law. Is it also in our statute? Well then, that answers  
22 that question.

23 Do you feel that that also should apply to improper, as  
24 opposed to illegal, as distinguished from illegal activities  
25 of the intelligence community? Let me put it another way.

1       Do you think in your role of trying to build the morale  
2   of the Agency that, if you are required to come to this  
3   Committee and say, hey fellows, you know, the Agency really  
4   blew it and such and such improper activities have occurred  
5   -- what impact do you think that would have on your  
6   effectiveness to do what you feel has to be done with the  
7   Agency?

8       Mr. Casey. None.

9       Senator Biden. None. All right.

10       All right. Then I assume -- and I think it is  
11   important to ask it for the record -- you would have no  
12   reluctance to report to this Committee or to comply with  
13   existing legislation, even if it would prove to be an  
14   embarrassment to the President of the United States?

15       Mr. Casey. No.

16       Senator Biden. I am almost there, Mr. Chairman.

17       Now, one of the areas of conflict that exists -- and it  
18   is very difficult, and I do not expect you to be able to  
19   answer this, but I expect you to consider it -- is that in  
20   the good old days, from my perspective, when the Democrats  
21   were in control, I happened to have been Chairman of a  
22   Subcommittee on the Judiciary Committee, which I now rank  
23   on, and the corresponding interest on this Committee and on  
24   the Foreign Relations Committee, of which I am a member,  
25   that relates to international drug trafficking and organized

1 crime.

2 And what I have found in our studies and discussions  
3 with agency people, the State Department people, and with  
4 FBI agents, DEA agents, Customs agents, et cetera, is that  
5 neither State nor the intelligence community views the  
6 international drug trafficking or organized crime activities  
7 as something that really comes up on their scope. It is not  
8 really much of a priority.

9 And I am not suggesting that it should be. But I would  
10 like to ask you whether you would be willing to have someone  
11 under your command look into and be willing to speak with me  
12 and others about the ability to greater coordinate,  
13 coordinate to a greater degree the issues relating to  
14 international drug trafficking.

15 You have access to information in files. You are  
16 uniquely situated. The FBI has concerns that would impact  
17 upon the foreign involvement of organized crime, not  
18 American citizens. Would you be willing to talk with me and  
19 others about that?

20 Mr. Casey. I will look into that and talk to you as  
21 soon as possible.

22 Senator Biden. I appreciate that very much.

23 Now, one of the issues I raised this very morning with  
24 General Haig in another room in another building related to  
25 the whole question which has been raised here about leaks

1 and particularly the leaks that occurred in the transition  
2 team. And by the way, they occurred in a Democratic  
3 Administration. That is not to suggest that somehow you had  
4 done anything improper if they occurred.

5 But what is disturbing is what Senator Moynihan has  
6 pointed out, is that over the last five years, more than the  
7 first three years that I have been here, that leaks have  
8 been a way where there has been a very conscious effort to  
9 affect policy, to put pressure on your own man, whether your  
10 man at that time was a Democratic Administration or a  
11 Republican Administration.

12 It seemed clearly that the leaks that we referred to  
13 with regard to the transition team were definitely done to  
14 impact and influence policy, to put the new President, the  
15 President-Elect in a position that would make it difficult  
16 for him to take a position different from that which was  
17 leaked.

18 Now, I asked the question, and I ask it of you: We  
19 have been arguing here in this Committee -- "debating" is a  
20 better word, I guess -- off and on for the past year the  
21 question of what -- and in the Judiciary Committee -- the  
22 question of what actions we should take, if any, as a  
23 Congress to help plug up those leaks. And some have  
24 suggested, not many, but some have suggested that if we  
25 cannot find the person who leaked the information, many

1 times, as in the case of the "New York Times" correspondent  
2 referred to, many times we can find the person to whom it  
3 was leaked, because he or she waves the paper, prints it in,  
4 puts their bylines on it, and says: Here, this is  
5 classified this is top secret. And some could argue that it  
6 is injurious to the national interest.

7 Now, if we can identify that person, should we begin to  
8 try to take action against that person? Because sometimes  
9 it is so hard to find who leaked the information. We can at  
10 least find the one who published the information. Should we  
11 take action against the person who published the information  
12 if it is clearly detrimental to U.S. interests?

13 Mr. Casey. That is a question on which I do not think  
14 I could come up with a position on the spur of the moment.  
15 It has been litigated in the courts. There has been  
16 developed a sort of a journalistic privilege comparable to  
17 an attorney's privilege. And certainly I am concerned. If  
18 the national interest is seriously injured, it certainly  
19 warrants then the protection of a journalistic source.

20 But that is such a complicated question, with so many  
21 considerations and so much precedent, that I do not think I  
22 would want to take a position at this time.

23 Senator Biden. Mr. Casey, I am not asking you to take  
24 a policy position. I am not asking you to speak for the  
25 President of the United States. I am not even asking you

1 what you will do when you are Director.

2 But I am asking you, a man who has a wealth of  
3 experience by a factor of four more than I and many members  
4 of this Committee, what your personal view is.

5 Mr. Casey. I do not have a considered personal view  
6 and I do not want to express an unconsidered personal view.

7 Senator Biden. One of the mild, I would acknowledge,  
8 but one of the concerns raised that I think should be on the  
9 record is whether or not, because of your background as a  
10 producer of intelligence, having occurred at a time, a  
11 period of time when there was much less sophisticated  
12 technological capability than that which exists today, that  
13 having been the case, that you might have a tendency to  
14 naturally rely more on human intelligence sources than on --  
15 hold on, let me check a minute. I have to see whether I can  
16 use a phrase.

17 (Pause.)

18 Senator Biden. I know what it is. I just want to make  
19 sure that I can say it.

20 Rather than on signals intelligence or other forms of  
21 intelligence gathering, whatever. Do you feel that you will  
22 have that inclination or do you feel comfortable with the  
23 more sophisticated means of gathering intelligence than  
24 human source intelligence?

25 Mr. Casey. I certainly do. I think they are

1 exceedingly valuable. Indeed, I think as I reflect on World  
2 War Two, the technical means, the overhearing of the  
3 signals, were much more important than the human means. The  
4 human means were supplementary. And the real trick in  
5 intelligence is in putting them all together, getting the  
6 mosaic, and then forming a judgment about what it all adds  
7 up to.

8 So I do not think you can exclude any source that will  
9 provide the links that might give you the right answer. I  
10 certainly think the technical means are terribly important,  
11 but they certainly do not eliminate the need for human  
12 source information, overt and covert.

13 Senator Biden. Do you think there is a need to  
14 drastically increase the number of human source intelligence  
15 people? I am getting right there on time, with 15 minutes  
16 gone.

17 Mr. Casey. I do not know. I do not know what we  
18 have.

19 Senator Biden. Well, at the expense of ruining the  
20 man's reputation, I would like to concur with Senator  
21 Goldwater. We do agree on a lot of things and one is that  
22 the absolute best, unquestionably the absolute best person  
23 in every respect that has ever testified before this  
24 Committee is Admiral Inman. In my opinion he is the single  
25 most competent man that exists in the entire United States

1 of America with regard to the intelligence community.

2 I think you would be well served if you ended up  
3 considering him. And I tell you what: When you get a  
4 problem -- I am probably building our own demise here -- you  
5 send him up. He knows a way around us. That is the only  
6 drawback to him. But he is super, super competent,  
7 forthcoming, honest, and very, very, very good.

8 Mr. Casey. I share that view, Senator, strongly.

9 Senator Biden. Thank you, Senator, for your  
10 indulgence.

11 The Chairman. Thank you. I hope you apply the same  
12 reasoning to General Haig.

13 Senator Biden. I just hope General Haig has those  
14 competent people behind him.

15 The Chairman. The Senator from New York?

16 Senator Moynihan. Mr. Chairman, in the interest of  
17 Admiral Inman's future in our community, I wonder if the  
18 Senator from Delaware would amend his remarks to say that  
19 Admiral Inman is the second most capable person in the  
20 community.

21 Senator Biden. He may become the second most. Right  
22 now he is the most capable.

23 We have an expression in my state, and you are very  
24 familiar with it, being involved in political affairs, Mr.  
25 Casey. You know, you say, I will campaign for you or

1 against you, whichever will help the most. If it is  
2 concluded that it would help for me to be against Admiral  
3 Inman, I will so insert a statement to that effect.

4 Senator Moynihan. Mr. Chairman, I want to make two  
5 other quick remarks. One is to say that I am sure Senator  
6 Biden will agree, there is not a trace of disposition in  
7 this Committee to hold journalists responsible in any way  
8 for the behavior of public officials. We are concerned  
9 about the behavior of public officials and that is where our  
10 concern stops.

11 And secondly, Mr. Chairman, if you will indulge me,  
12 Senator Inouye would have wished to be here. He was our  
13 first Chairman. He has not been well. He is getting over  
14 it. But he asks to send his regards to you and excuses to  
15 the Chairman.

16 Thank you.

17 Mr. Casey. Thank you.

18 The Chairman. I thank you.

19 Does anybody else have any comments? I said that real  
20 quietly.

21 We will poll you, according to the rules, some time  
22 afternoon on Thursday as to your disposition toward our  
23 candidate.

24 And I want to thank you, sir, for being here. You have  
25 done a splendid job.

1       And with that, the Committee will stand adjourned.

2       (Whereupon, at 12:37 p.m., the hearing was adjourned.)

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